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FOURTH ANNUAL REPORT

OF THE

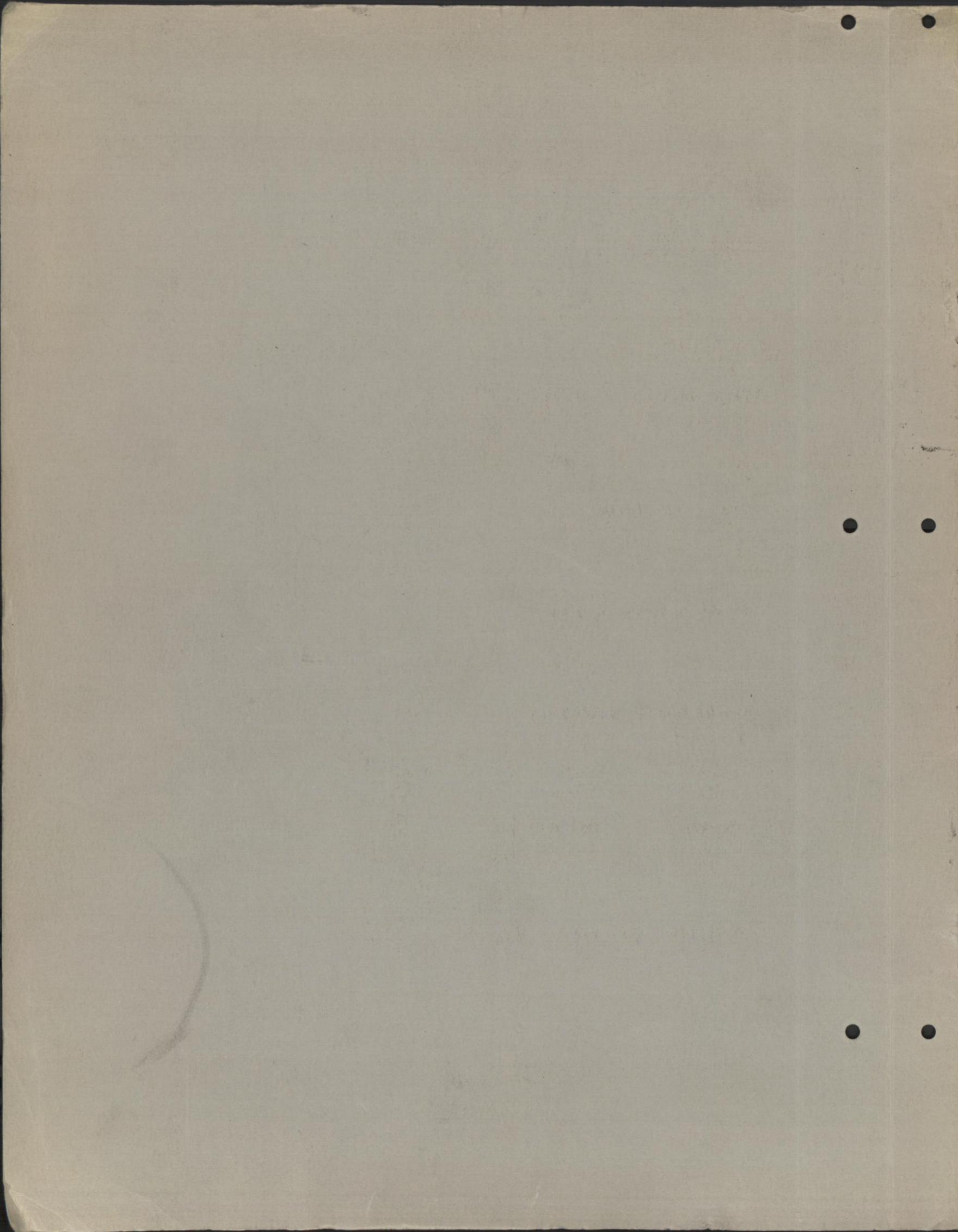
United States Steel Corporation

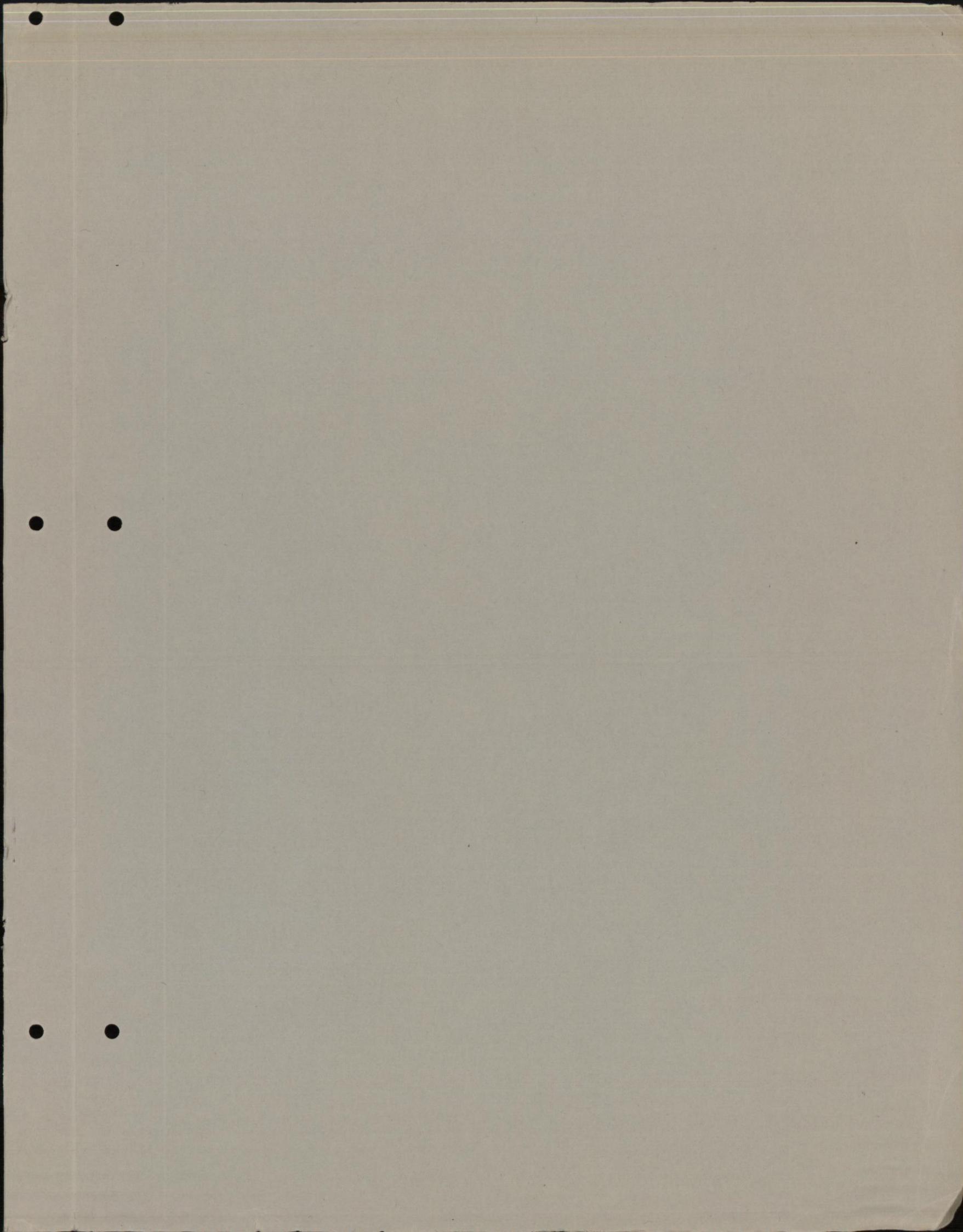
FOR THE FISCAL YEAR ENDED

DECEMBER 31, 1905

(inv)







FOURTH ANNUAL REPORT

OF THE

United States Steel Corporation

FOR THE FISCAL YEAR ENDED

DECEMBER 31, 1905

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UNITED STATES STEEL CORPORATION

DIRECTORS

TERM EXPIRES 1906	TERM EXPIRES 1907	TERM EXPIRES 1908
WILLIAM EDENBORN	EDMUND C. CONVERSE	GEORGE F. BAKER
HENRY C. FRICK	ELBERT H. GARY	WILLIAM E. COREY
WILLIAM H. MOORE	JAMES GAYLEY	JOHN F. DRYDEN
NORMAN B. REAM	J. PIERPONT MORGAN	CLEMENT A. GRISCOM
JAMES H. REED	THOMAS MORRISON	MARVIN HUGHITT
CHARLES STEELE	GEORGE W. PERKINS	DANIEL G. REID
PETER A. B. WIDENER	HENRY PHIPPS	JOHN D. ROCKEFELLER, JR.
ROBERT WINSOR	HENRY H. ROGERS	NATHANIEL THAYER

FINANCE COMMITTEE

GEORGE W. PERKINS, *Chairman*

GEORGE F. BAKER	NORMAN B. REAM
HENRY C. FRICK	HENRY H. ROGERS
HENRY PHIPPS	PETER A. B. WIDENER
ELBERT H. GARY, <i>Ex-officio</i>	WILLIAM E. COREY, <i>Ex-officio</i>

GENERAL OFFICERS

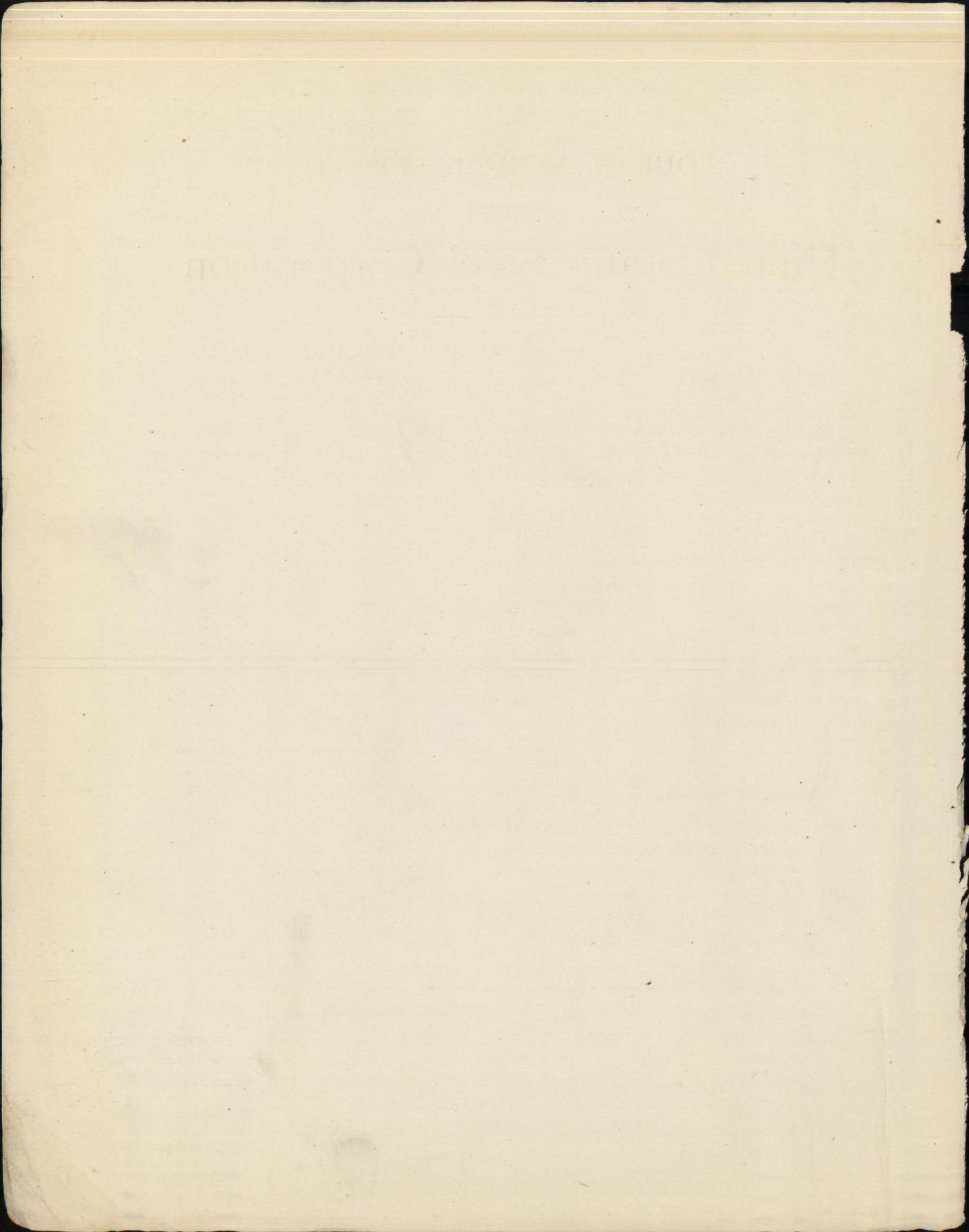
ELBERT H. GARY,	<i>Chairman of the Board</i> ,	NEW YORK, N. Y.
WILLIAM E. COREY,	<i>President</i> ,	NEW YORK, N. Y.
JAMES GAYLEY,	<i>First Vice-President</i> ,	NEW YORK, N. Y.
WILLIAM B. DICKSON,	<i>Second Vice-President</i> ,	NEW YORK, N. Y.
FRANCIS LYNDE STETSON,	<i>General Counsel</i> ,	NEW YORK, N. Y.
RICHARD TRIMBLE,	<i>Secretary and Treasurer</i> ,	NEW YORK, N. Y.
WILLIAM J. FILBERT,	<i>Comptroller</i> ,	NEW YORK, N. Y.

STOCK TRANSFER DEPARTMENT, 71 Broadway, New York City.
51 Newark Street, Hoboken, N. J.

REGISTRARS OF STOCK, . . . For Preferred Stock—The New York Trust Company, New York City.
For Common Stock—Guaranty Trust Company, New York City.

GENERAL OFFICES—51 Newark Street, Hoboken, N. J.

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FOURTH ANNUAL REPORT

TO STOCKHOLDERS OF

United States Steel Corporation

OFFICE OF UNITED STATES STEEL CORPORATION,
51 Newark Street, Hoboken, New Jersey,
March 13, 1906.

To the Stockholders:

The Board of Directors submits herewith a combined report of the operations and affairs of the United States Steel Corporation and Subsidiary Companies for the fiscal year which ended December 31st, 1905, together with a statement of the condition of the finances and property at the close of that year.

INCOME ACCOUNT FOR THE YEAR 1905.

The total net earnings of all properties after deducting expenditures for ordinary repairs and maintenance (approximately \$24,000,000), employes' bonus funds, and also interest on bonds and fixed charges of the subsidiary companies, amounted to..... \$119,787,658.43

Less: Appropriations for the following purposes, viz.:

Sinking Funds on Bonds of Subsidiary Companies.....	\$1,689,999.46
Depreciation and Extinguishment Funds (regular provisions for the year)	5,844,981.17
Extraordinary Replacement Funds (regular provisions for the year).....	13,587,909.87
Special Depreciation and Replacement Funds.....	2,232,172.00
	23,355,062.50
Balance of Net Earnings in the year 1905.....	\$96,432,595.93

Deduct:

Interest on U. S. Steel Corporation Bonds outstanding, viz.:

Fifty Year 5 per cent. Gold Bonds.....	\$14,669,291.42
Ten-Sixty Year 5 per cent. Gold Bonds.....	8,387,145.83

Sinking Funds on U. S. Steel Corporation Bonds, viz.:

Installment on 50 Year 5 per cent. Gold Bonds.....	\$3,040,000.00
Installment on 10-60 Year 5 per cent. Gold Bonds.....	1,010,000.00
Interest on above Bonds in Sinking Funds.....	641,412.75
	4,691,412.75
	27,747,850.00

Balance carried forward..... \$68,684,745.93

Balance brought forward.....	\$68,684,745.93
Less: Charged off for adjustments in sundry accounts.....	99,253.78
<hr/>	
Balance	\$68,585,492.15
Dividends for the year 1905 on Preferred Stock of U. S. Steel Corporation, 7 per cent.....	25,219,677.00
<hr/>	
Surplus Net Income for the year.....	\$43,365,815.15
Less: Appropriated from Surplus Net Income for the following purposes, viz.:	
On account of expenditures made and to be made on authorized appropriations for additional property and construction, and for discharge of capital obligations.....	\$16,300,000.00
Specifically set aside for contemplated appropriations and expenditures	10,000,000.00
	<hr/>
	26,300,000.00
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Balance of Surplus for the year.....	\$17,065,815.15

UNDIVIDED SURPLUS OF U. S. STEEL CORPORATION AND SUBSIDIARY COMPANIES.

(Since April 1, 1901.)

Surplus or Working Capital provided in organization.....	\$25,000,000.00
Balance of Surplus accumulated by all companies from April 1, 1901, to December 31, 1904, per Annual Report for year 1904, exclusive of subsidiary companies' inter-company profits in Inventories.....	\$27,247,978.92
Undivided Surplus of all companies for the year 1905.....	17,065,815.15
	<hr/>
	44,313,794.07
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Total Undivided Surplus, December 31, 1905, exclusive of subsidiary companies' inter-company profits in Inventories.....	\$69,313,794.07
Undivided Surplus of subsidiary companies representing profits accrued on sales of materials to other subsidiary companies, and on hand in the latter's inventories, viz.:	
Balance on December 31, 1904, per Annual Report	\$9,117,466.77
Add: Increase during the year 1905.....	6,307,189.83
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Balance December 31, 1905.....	15,424,656.60
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Total Undivided Surplus, December 31, 1905.....	\$84,738,450.67

COMPARATIVE INCOME ACCOUNT.

For the Fiscal Years ended December 31, 1905 and 1904.

	1905.	1904.	Increase or Decrease.
NET EARNINGS.....	\$119,787,658.43	\$73,176,521.73	\$46,611,136.70 Inc.
Less: Appropriations for the following purposes, viz.:			
Sinking Funds on Bonds of Subsidiary Companies.....	1,689,999.46	1,583,116.76	106,882.70 Inc.
Depreciation and Extinguishment Funds (regular provisions for the year).....	5,844,981.17	3,907,166.55	1,937,814.62 Inc.
Extraordinary Replacement Funds (regular provisions for the year).....	13,587,909.87	8,667,044.36	4,920,865.51 Inc.
Special Depreciation and Replacement Funds.....	2,232,172.00	.....	2,232,172.00 Inc.
Balance of Net Earnings in the Year.	\$96,432,595.93	\$59,019,194.06	\$37,413,401.87 Inc.
Deduct:			
Interest on U. S. Steel Corporation Bonds outstanding.....	23,056,437.25	23,097,732.83	41,295.58 Dec.
Sinking Funds on U. S. Steel Corporation Bonds, viz.:			
Instalments	4,050,000.00	4,050,000.00	.....
Interest on Bonds in Sinking Funds	641,412.75	420,559.92	220,852.83 Inc.
Less: Charged off for various accounts and adjustments.....	\$68,684,745.93	\$31,450,901.31	\$37,233,844.62 Inc.
	99,253.78	1,183,372.12	1,084,118.34 Dec.
Balance	\$68,585,492.15	\$30,267,529.19	\$38,317,962.96 Inc.
Dividends on U. S. Steel Corporation Preferred Stock, 7 per cent....	25,219,677.00	25,219,677.00	.....
Surplus Net Income for the Year..	\$43,365,815.15	\$5,047,852.19	\$38,317,962.96 Inc.
Appropriated from Surplus Net Income for the following purposes, viz.:			
On account of expenditures made and to be made on authorized appropriations for additional property and construction, and for discharge of capital obligations	16,300,000.00	.....	16,300,000.00 Inc.
Specifically set aside for contemplated appropriations and expenditures	10,000,000.00	.....	10,000,000.00 Inc.
Balance of Surplus for the Year.....	\$17,065,815.15	\$5,047,852.19	\$12,017,962.96 Inc.

NET PROFITS AND SURPLUS OF UNITED STATES STEEL CORPORATION
AND SUBSIDIARY COMPANIES AT CLOSE OF EACH OF
THE QUARTERS NAMED.

(Includes only Surplus received or earned on or subsequent to April 1, 1901.)

Quarter ending	Net Profits for Quarter available for Dividends.	Surplus at close of Quarter before declaration of Dividends.*	Dividends on U. S. Steel Corporation Stock for respective Quarters.	Written off account of Capital Expenditures, for Special Funds and for Sundry Adjustments and Accounts.	Balance of Surplus.
June 30, 1901.....	\$19,907,277.28	\$44,907,277.28	\$13,957,028.25	.....	\$30,950,249.03
September 30, 1901.....	20,063,626.25	51,013,875.28	14,010,277.75	.....	37,003,597.53
December 31, 1901.....	20,629,205.52	57,632,803.05	14,011,862.75	.....	43,620,940.30
March 31, 1902.....	16,700,221.26	60,321,161.56	14,013,434.25	.....	46,307,727.31
June 30, 1902.....	26,742,277.86	73,050,005.17	14,013,542.75	.....	59,036,462.42
September 30, 1902.....	25,849,817.58	84,886,280.00	14,012,946.25	.....	70,873,333.75
December 31, 1902.....	21,014,207.55	91,887,541.30	14,012,944.25	.....	77,874,597.05
March 31, 1903.....	14,891,989.64	92,766,586.69	14,012,944.25	.....	78,753,642.44
June 30, 1903.....	23,987,950.22	102,741,592.66	12,609,770.92	.....	90,131,821.74
September 30, 1903.....	19,684,774.49	109,816,596.23	10,006,759.90	.....	99,809,836.33
December 31, 1903.....	2,230,775.78	102,040,612.11	6,482,260.84	29,461,668.91	66,096,682.36
March 31, 1904.....	4,606,593.70	68,099,358.51	6,304,919.25	.....	61,794,439.26
June 30, 1904.....	9,082,563.81	69,700,504.29	6,304,919.25	.....	63,395,585.04
September 30, 1904.....	7,617,906.85	73,831,323.75	6,304,919.25	.....	67,526,404.50
December 31, 1904.....	10,143,836.95	77,378,489.44	6,304,919.25	9,708,124.50	61,365,445.69
March 31, 1905.....	12,178,326.35	71,826,602.51	6,304,919.25	3,300,000.00	62,221,683.26
June 30, 1905.....	16,875,599.99	82,537,094.61	6,304,919.25	7,500,000.00	68,732,175.36
September 30, 1905.....	16,977,532.04	90,322,263.92	6,304,919.25	6,500,000.00	77,517,344.67
December 31, 1905.....	22,653,287.55	100,142,623.70	6,304,919.25	9,099,253.78	84,738,450.67

* Includes Capital Surplus of \$25,000,000, provided at date of organization, also Undivided Surplus of Subsidiary Companies representing accrued profits on Inter-Company materials on hand in inventories.

SUMMARY—APRIL 1, 1901, TO DECEMBER 31, 1905.

Capital Surplus provided at date of organization.....		\$25,000,000.00
Aggregate quarterly net profits as above.....	\$311,837,770.67	
Less: Amount included therein representing accrued profits on Inter-Company materials on hand in Inventories	\$10,371,803.25	
Charges against Profits made at close of fiscal years, not applicable to particular quarters.....	6,741,683.03	
	17,113,486.28	
Balance of Profits earned.....		294,724,284.39
Dividends paid on U. S. Steel Corporation Stocks, viz.:		\$319,724,284.39
Preferred from April 1, 1901, to January 1, 1906, 33 1/4 per cent.....	\$143,316,243.66	
Common, 9 1/2 per cent. (from April 1, 1901, to October 1, 1903).....	48,266,882.50	
	191,583,126.16	
Leaving a Surplus of.....		\$128,141,158.23
Of the foregoing Surplus the following amounts have been appropriated for the purposes named, viz.:		
For payment of construction and capital expenditures and special charges per third annual report, page 8.....	\$32,527,364.16	
For payment of construction and capital expenditures and for reserve for contemplated appropriations, per Income Account for 1905, page 6.....	26,300,000.00	
	58,827,364.16	
Balance of Surplus December 31, 1905, exclusive of Subsidiary Companies' inter-company profits in inventories.....		\$69,313,794.07
Undivided Surplus of Subsidiary Companies on December 31, 1905, representing Profits accrued on sales of materials to other subsidiary companies, and on hand in latter's inventories.....		15,424,656.60
Total.....		\$84,738,450.67

MAINTENANCE, RENEWALS AND EXTRAORDINARY REPLACEMENTS.

The expenditures made by all companies during the year for maintenance, renewals and extraordinary replacements, equalled the sum of \$37,471,769.63, an increase in comparison with the expenditures for the same purposes during the preceding fiscal year of \$11,213,397.41. The entire amount of the foregoing expenditures was charged to current operating expenses and earnings. A statement showing the principal items of replacement and improvements comprehended in the total expenditures for extraordinary replacements is included in the statistical tables printed in this report.

The following table shows the amount of the expenditures made during the year for above purposes by the respective groups of operating properties:

EXPENDED ON	EXPENDITURES DURING YEAR OF 1905.			Total Expenditures in Previous Year.	Increase.
	Ordinary Maintenance and Repairs.	Extraordinary Replacements.*	Total.		
Manufacturing Properties.....	\$16,661,943.49	\$8,174,146.15	\$24,836,089.64	\$19,559,843.23	\$5,276,246.41
Coal and Coke Properties.....	1,472,450.57	1,304,678.63	2,777,129.20	1,659,474.51	1,117,654.69
Iron Ore Properties.....	274,443.75	316,401.88	590,845.63	362,303.55	228,542.08
Transportation Properties:					
Railroads	4,898,956.24	2,687,105.66	7,586,061.90	4,018,022.16	3,568,039.74
Steamships and Docks.....	532,412.13	828,931.06	1,361,343.19	489,085.36	872,257.83
Miscellaneous Properties.....	136,423.20	183,876.87	320,300.07	169,643.41	150,656.66
Total expended in 1905.....	\$23,976,629.38	\$13,495,140.25	\$37,471,769.63	.....	.....
Total expended in 1904.....	18,155,498.43	8,102,873.79	26,258,372.22	\$26,258,372.22	.....
Increase.....	\$5,821,130.95	\$5,392,266.46	\$11,213,397.41	.....	\$11,213,397.41

* These expenditures were paid from funds provided from earnings to cover requirements of the character included herein, as see page 10.

SINKING, DEPRECIATION, EXTRAORDINARY REPLACEMENT AND
IMPROVEMENT FUNDS.

The scope of and the purposes for which the above named funds are reserved and used were fully explained in the Annual Report for 1904. The appropriations made from net earnings during the year ended December 31, 1905, for account of the funds, together with the income received by the funds from other sources, the payments made therefrom during the year, and the unexpended balances in the funds at December 31, 1905, are shown in the following table:

FUNDS.	CREDITS TO FUNDS.				Payments from and Charges to Funds.	Unexpended Balances to Credit of Funds Dec. 31, 1905.
	Balances Dec. 31, 1904.	Set Aside from Earnings During 1905.	Other Income and Credits.	Total.		
Sinking Funds on U. S. Steel Corporation Bonds.	\$2,530,833.33	\$4,050,000.00	.....	\$6,580,833.33	\$4,050,000.00 (a)	\$2,530,833.33
Sinking Funds on Bonds of Subsidiary Companies....	555,151.61	1,689,999.46	\$24,592.55	2,269,743.62	1,941,548.35 (b)	328,195.27
Depreciation and Extinguishment	3,445,707.32	7,077,153.17	246,489.39	10,769,349.88	2,614,561.47 (c)	8,154,788.41
Total Capital Depreciation Funds.....	\$6,531,692.26	\$12,817,152.63	\$271,081.94	\$19,619,926.83	\$8,606,109.82	\$11,013,817.01
Extraordinary Replacement and Improvement.....	15,931,472.00	14,587,909.87	1,613,186.34	32,132,568.21	13,495,140.25 (d)	18,637,427.96
Total.....	\$22,463,164.26	\$27,405,062.50	\$1,884,268.28	\$51,752,495.04	\$22,101,250.07	\$29,651,244.97

(a) Payments to Trustees of Sinking Funds.....	\$4,050,000.00
(b) Payments to Trustees of Sinking Funds.....	\$1,551,562.86
Sinking Fund provision applied in payment for construction expenditures.....	119,985.49
Sinking Fund provisions transferred to Extraordinary Replacement Funds.....	270,000.00
	\$1,941,548.35
(c) Amounts charged off for payments from these funds for:	
Expenditures for Additional Property acquired in 1905	\$1,254,293.47
Bonds, Mortgages and Purchase Obligations retired in 1905.....	916,408.49
Write off of Depreciation account of sundry properties.....	428,648.78
Depreciation reserve transferred to Bond Sinking Funds.....	15,210.73
	\$2,614,561.47
(d) Expenditures made during 1905 for Extraordinary Replacements and Renewals (see page 9)	\$13,495,140.25

The balances to the credit of the several funds on December 31, 1905, per the preceding table, are included in the assets of the organization in the following accounts, viz.:

In Depreciation and Extinguishment Fund Assets, viz.:

Sundry Securities at cost.....	\$3,048,243.63
Cash	3,847,776.22
	\$6,896,019.85
In Sundry Marketable Securities.....	3,110,882.50
In Cash (Special Deposit).....	757,500.00
In Current Assets—Cash, Inventories, etc.....	18,886,842.62
	\$29,651.2

TRUSTEES OF BOND SINKING FUNDS.

The transactions of the Trustees for account of the Bond Sinking Funds of the United States Steel Corporation and Subsidiary Companies for the year, and the condition of the funds on December 31, 1905, are shown in the following table:

FUNDS.	Cash Uninvested Dec. 31, 1904.	Instalments Received in 1905.	Interest Accretions Received in 1905.	Total.	BONDS REDEEMED AND OTHER PAYMENTS.		Cash Uninvested Dec. 31, 1905.
					Par Value of Bonds.	Premium Paid and Other Payments.	
U. S. Steel Corporation Bonds.....	\$10,305.53	\$4,050,000.00	\$579,956.90	\$4,640,262.43	\$4,392,000.00	\$231,049.19	\$17,213.24
Subsidiary Companies' Bonds.....	531,728.07	1,551,562.86	232,106.18	2,315,397.11	1,870,000.00	82,588.90	362,808.21
Total.....	\$542,033.60	\$5,601,562.86	\$812,063.08	\$6,955,659.54	\$6,262,000.00	**\$313,638.09	\$380,021.45

* Includes Premium paid, \$253,638.09, and \$60,000 released by Trustee in payment for additional property acquired.

REDEEMED BONDS HELD BY TRUSTEES OF SINKING FUNDS.

	U. S. Steel Corp'n Bonds.	* Subsidiary Cos.' Bonds.	Total.
Total Redeemed Bonds at par, held by the Trustees on December 31, 1904.....	\$10,159,000	\$3,920,000	\$14,079,000
Redeemed in 1905 as above.....	4,392,000	1,870,000*	6,262,000
	<hr/>	<hr/>	<hr/>
	\$14,551,000	\$5,790,000	\$20,341,000
Less, Cancelled by the Trustees and returned to the Companies .....	.....	439,000	439,000
	<hr/>	<hr/>	<hr/>
Leaving Redeemed Bonds held by the Trustees December 31, 1905, interest on which is currently paid into the sinking funds.....	\$14,551,000	\$5,351,000	\$19,902,000

* Includes \$98,989.46 of Bonds account of minority interest in Pittsburg, Bessemer and Lake Erie Railroad Company not included in statement of Bonded Debt.

SPECIAL FUNDS FOR CAPITAL EXPENDITURES AND FOR CONTEMPLATED APPROPRIATIONS AND EXPENDITURES.

As shown by the Income Account there were appropriated from the surplus net income of the year 1905 the amounts specified below for account of the purposes named, viz.:

For account of expenditures made and to be made on authorized appropriations for additional

property and construction, and for discharge of capital obligations..... \$16,300,000.00

Of this amount there was expended during the year ended December 31, 1905, the following:

In payment for additional property and construction \$14,300,693.47

In payment of maturing bonds and mortgages..... 1,458,605.23

15,759,298.70

Leaving an unexpended balance on December 31, 1905, available for future construction and capital expenditures heretofore authorized, of.....

\$540,701.30

There was also specifically set aside a Fund for contemplated appropriations and expenditures amounting to \$10,000,000. None of this reserve had been expended up to the close of the year. Of the amount so reserved \$5,272,270.66 had been specifically invested prior to December 31, 1905, in salable securities, pending the actual requirement of the money. This investment is separately shown in the General Balance Sheet. It is intended to use this fund in part payment of the cost of large and important extensions which are in contemplation.

CAPITAL STOCK.

The amount of outstanding capital stock of the United States Steel Corporation on December 31, 1905, was the same as at the close of the preceding fiscal year, as follows:

Common Stock.....	\$508,302,500.00
Preferred Stock.....	360,281,100.00

BONDED, MORTGAGE AND DEBENTURE DEBT.

The total bonded, mortgage and debenture debt of the United States Steel Corporation and Subsidiary Companies outstanding on January 1, 1905, was..... \$575,146,147.27

Add: Issues made during the year by Subsidiary Companies as follows, viz.:

Union Steel Co. First Mortgage and Collateral Trust Bonds:

Issued for account of construction expenditures.....	\$800,000.00
Issued in exchange for Sharon Sheet Steel Co. Bonds retired.....	101,000.00
Bessemer & Lake Erie R. R. Standard Equipment Trust Bonds.....	1,060,000.00
Clairton Land Co. First Mortgage Bonds.....	1,200,000.00
Sundry Real Estate Mortgages, assumed by Coal Companies	133,284.50
	<hr/>
	3,294,284.50

Issues were made during the year of the following amounts of Subsidiary Companies' bonds which were sold to trustees of sinking funds, viz.:

Duluth, Missabe & Northern Ry. Co. Second Mortgage Bonds.....	\$80,000.00
American Steamship Co. First Mortgage Bonds.....	152,000.00
	<hr/>
	232,000.00

There have been added to the Bonded Debt the outstanding bonds of the Pennsylvania & Lake Erie Dock Co. (whose accounts prior to this year were not included in annual reports), amounting to \$165,000, less proportion, \$36,465, account minority interest in stock of said company not owned by U. S. Steel Corporation interests	128,535.00
	<hr/>
	\$578,800,966.77

Less: Bonds and Mortgages retired or acquired during the year, viz.:

Carnegie Steel Co.'s issues:

Ohio Steel Co. First Mortgage Bonds.....	\$95,000.00
King, Gilbert & Warner Co. Bonds.....	100,000.00

Clairton Steel Co.'s issues:

Clairton Steel Co. 5% Mortgage Bonds.....	500,000.00
St. Clair Steel Co. First Mortgage Bonds.....	100,000.00

Lorain Steel Co.'s issues:

The Johnson Co. First Mortgage Bonds.....	100,000.00
-------------------------------------------	------------

Union Steel Co.'s issues:

Sharon Sheet Steel Co. First Mortgage Bonds (surrendered in exchange for Union Steel bonds).....	101,000.00
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H. C. Frick Coke Co.'s issues:

First Mortgage Bonds.....	97,000.00
Continental Coke Co. Purchase Money Mortgage Bonds.....	137,000.00

Total carried forward.....	\$1,230,000.00	\$578,800,966.77
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Total brought forward.....	\$1,230,000.00	\$578,800,966.77
Hostetter-Connellsville Coke Co.'s issues:		
Purchase Money Mortgage Bonds (Frick Coke Co.'s proportion)...	12,500.00	
Pittsburgh Steamship Co.'s issues—Northern Lakes S. S. Co. Bonds....	10,000.00	
Illinois Steel Co.'s Debenture Scrip.....	3,605.23	
Sundry Real Estate Mortgages of various companies	909,586.07	

		\$2,165,691.30

Bonds purchased by Trustees of Sinking Funds, viz.:

U. S. Steel Corporation 50 Year 5% Bonds.....	\$3,202,000.00	
U. S. Steel Corporation 10-60 Year 5% Bonds.....	1,190,000.00	
Union Steel Co. First Mortgage and Collateral Trust Bonds	965,000.00	
Pittsburgh Steamship Co. First Mortgage Bonds.....	186,000.00	
American Steamship Co. First Mortgage Bonds.....	207,000.00	
Hostetter-Connellsville Coke Co. First Mortgage Bonds (Frick Coke Co.'s proportion).....	15,000.00	
Duluth, Missabe & Northern Ry. Co. First Mortgage Bonds	99,000.00	
Duluth, Missabe & Northern Ry. Co. Second Mortgage Bonds	160,000.00	
St. Clair Terminal R. R. Co.'s First Mortgage Bonds....	31,000.00	
Pittsburg, Bessemer & Lake Erie R. R. Co. Bonds, viz.:		
Conneaut Equipment Trust.....	\$60,000.00	
Shenango Equipment Trust.....	72,000.00	
Bessemer Equipment Trust.....	75,000.00	

	\$207,000.00	
Less: Proportion account minority interest of stock of P. B. & L. E. R. R. Co. not owned.....	98,989.46	

	108,010.54	

	6,163,010.54	

Bonded, Mortgage and Debenture Debt outstanding December 31, 1905.....	\$570,472,264.93	
Net Decrease during the year ending December 31, 1905.....	\$4,673,882.34	

TREASURY BONDS SUBJECT TO SALE.

Besides the foregoing bond transactions there were issued by subsidiary companies during the year ending December 31, 1905, an aggregate par value of \$2,839,000 of bonds to provide funds for construction outlays. These bonds were purchased by the U. S. Steel Corporation, and being held in its Treasury on December 31,

1905, as disposable assets, are not included in the schedule of outstanding bonds, nor are they included in the assets of the organization as shown in the General Balance Sheet. The bonds are as follows:

Chicago, Lake Shore & Eastern Ry. Co. Federal Equipment Trust Bonds.....	\$1,140,000
Connellsville & Monongahela Ry. Co. First Mortgage Bonds.....	903,000
National Mining Co. National Equipment Trust Bonds	396,000
Youghahela Water Co. First Mortgage Bonds.....	400,000
	<hr/>
	\$2,839,000

There may also be issued at any time, to cover capital expenditures made, Union Steel Co. Mortgage & Collateral Trust Bonds, to the par amount of.....	3,074,000
	<hr/>
	\$5,913,000

In addition the U. S. Steel Corporation has in its treasury, available for sale, its Ten-Sixty Year 5 per cent. Bonds, which have been authorized and executed for account of capital expenditures made, of the par value of.....	30,000,000
	<hr/>

Total of Capital Obligations authorized or created for capital expenditures made, and held in the treasury subject to sale, but not included in Assets as shown in the General Balance Sheet	\$35,913,000
	<hr/>

A detailed schedule of the various issues of bonds outstanding on December 31, 1905, also of bonds held by Trustees of Sinking Funds, the interest on which is currently paid into the sinking funds, will be found on page 32.

From April 1, 1901, to December 31, 1905, the amount of bonds and mortgages paid and retired by all companies was as follows:

Bonds and Mortgages paid and retired with moneys from Depreciation Funds and Surplus	
Income	\$8,837,661.78
Bonds purchased and retired with Bond Sinking Funds provided from net earnings....	20,027,021.06
Total.....	\$28,864,682.84

During the same period there were issued and sold by subsidiary companies bonds and mortgages for new property and construction work, viz.:

By Union Steel Company to provide funds for part payment of cost of completing construction work at Donora and South Sharon, which was under way when capital stock of that company was acquired by U. S. Steel Corporation.....	\$6,456,727.79
By various subsidiary companies.....	6,999,344.63
Bonds have also been issued by subsidiary companies for funding unsecured indebtedness and for working capital.....	711,795.00
	<hr/>
	\$14,167,867.42

There were also issued and sold during the period named for account of construction and capital expenditures, U. S. Steel Corporation 10-60 Year 5 per cent. bonds to the amount at par of \$20,000,000.00

PURCHASE MONEY OBLIGATIONS, BILLS PAYABLE AND
SPECIAL DEPOSITS OR LOANS.

During the year ended December 31, 1905, payments were made in the discharge of the unsecured liabilities of the subsidiary companies of the above character, to the aggregate amount of \$2,535,648.45, viz.:

In Purchase Money Obligations.....	\$287,322.40
In Bills Payable.....	767,916.66
In Special Deposits or Loans.....	1,480,409.39
	\$2,535,648.45

During the year Purchase Money Obligations were issued for account of new property acquired as follows:

In part payment for purchase of property and assets of sundry ore and coke properties acquired	2,131,250.00
Net reduction during the year in above named liabilities.....	\$404,398.45

Since April 1, 1901, there has been paid off an aggregate amount of liabilities of the above character of \$38,658,309.24. There were issued during the same period Purchase Obligations, in connection with the acquirement of additional fixed property and assets, to the amount of \$3,231,250.00. Of the total amount paid off as aforesaid, the sum of \$9,907,790.61 represents moneys originally borrowed, or received, and used as working capital; the balance, \$28,750,518.63, represents specific obligations originally incurred for the acquirement of property, or for moneys used for the purchase of property or the discharge of capital liabilities.

The outstanding liabilities of above character on December 31, 1905, in comparison with the amount outstanding on December 31, 1904, were as follows:

	December 31, 1905.	December 31, 1904.	Decrease.
Purchase Money Obligations.....	\$2,943,369.36	\$1,099,441.76	Inc. \$1,843,927.60
Bills Payable.....	2,771,217.98	3,539,134.64	767,916.66
Special Deposits or Loans.....	936,159.48	2,416,568.87	1,480,409.39
 Total	\$6,650,746.82	\$7,055,145.27	\$404,398.45

PRODUCTION.

The production of the several properties for the year, in comparison with the results for the fiscal year of 1904, was as follows:

	1905.	1904.
IRON ORE MINED:		
From Marquette Range.....	Tons. 1,359,722	Tons. 934,512
From Menominee Range.....	1,871,979	1,186,104
From Gogebic Range.....	1,671,747	1,271,831
From Vermilion Range.....	1,578,626	1,056,430
From Mesaba Range.....	12,004,482	6,054,210
Total.....	18,486,556	10,503,087
COKE MANUFACTURED.....	12,242,909	8,652,293
COAL MINED, not including that used in making coke.	2,204,950	1,998,000
LIMESTONE QUARRIED.....	1,967,355	1,393,149
BLAST FURNACE PRODUCTS:		
Pig Iron.....	9,940,799	7,210,248
Spiegel	158,071	100,025
Ferro-Manganese and Silicon.....	73,278	59,148
Total.....	10,172,148	7,369,421
STEEL INGOT PRODUCTION:		
Bessemer Ingots.....	7,379,188	5,427,979
Open-Hearth Ingots.....	4,616,051	2,978,399
Total.....	11,995,239	8,406,378
ROLLED AND OTHER FINISHED PRODUCTS FOR SALE:		
Steel Rails.....	1,727,055	1,242,646
Blooms, Billets, Slabs, Sheet and Tin Plate Bars..	1,253,682	932,029
Plates	780,717	404,422
Heavy Structural Shapes.....	484,048	313,779
Merchant Steel, Skelp, Hoops, Bands and Cotton Ties	982,782	577,384
Tubing and Pipe.....	911,346	710,765
Rods	84,049	84,934
Wire and Products of Wire.....	1,283,943	1,226,610
Sheets—Black, Galvanized and Tin Plate.....	924,439	735,482
Finished Structural Work.....	404,732	357,488
Angle and Splice Bars and Joints.....	150,265	72,470
Spikes, Bolts, Nuts and Rivets.....	61,496	46,003
Axles	149,596	62,981
Sundry Iron and Steel Products.....	28,236	25,787
Total.....	9,226,386	6,792,780
Spelter	29,781	29,983
Copperas (Sulphate of Iron).....	20,040	15,805
Bbls.		Bbls.
Universal Portland Cement.....	1,735,343	539,951

INVENTORIES.

The aggregate inventories of all properties on December 31, 1905, equalled \$113,387,997, in comparison with a total of \$94,812,546 on December 31, 1904, an increase of \$18,575,451. As shown by the subjoined classification this increase is distributed generally through the entire inventory schedule, and is occasioned by the greatly increased volume of business.

Inventory valuations are believed to be conservative. They were taken on the basis of actual purchase or production cost of materials to the respective companies holding the same, unless such cost was above the market value on December 31, 1905, in which case the market price was used. The aggregate inventory valuation of all raw, partly finished and finished materials produced within the organization is very largely below the market price on December 31, 1905. The inventory valuations do, however, include the profits on materials embraced in inventories which have been purchased by one subsidiary company from another, but, as shown by the General Balance Sheet, such profits are segregated and carried in a specific surplus account, and will not be included in the reported earnings of the entire organization until such profits shall have been converted into cash or a cash asset to the organization. Practically, therefore, the specific surplus account referred to is a guarantee fund for these profits so locked up in inventories, pending realization in cash.

The following is a general classification of the inventory valuations at December 31, 1905, in comparison with December 31, 1904:

	<i>Dec. 31, 1905.</i>	<i>Dec. 31, 1904.</i>
Ores	\$38,877,141	\$35,205,977
Pig Iron, Scrap, Ferro and Spiegel.....	5,866,552	4,947,716
Coal, Coke and Other Fuel.....	2,045,309	1,444,158
Copper, Nickel, Aluminum and Alloys.....	391,969	509,484
Pig Tin, Lead, Zinc, Spelter, Dross and Skimmings.....	2,558,568	2,010,177
Limestone, Fluxes and Refractories.....	1,517,441	1,172,209
Rolls, Molds and Stools.....	3,286,563	2,618,497
Manufacturing Supplies, Stores and Miscellaneous Items not otherwise classified	8,735,731	7,411,222
Ingots, Steel and Nickel.....	890,217	790,356
Blooms, Billets, Slabs, Sheet and Tin Bars, etc.....	6,484,487	4,844,661
Wire Rods.....	851,947	526,904
Skelp	1,440,700	1,219,436
Finished Products.....	24,140,746	21,016,539
Mining Supplies and Stores (for ore and coal).....	2,372,442	1,875,367
Railroad Supplies and Stores.....	1,373,087	987,994
Merchandise of Supply Companies.....	746,207	623,851
Material, labor and expense locked up in bridge and structural contracts	\$18,924,693	
Less: Bills rendered on account.....	13,699,491	
	<hr/>	<hr/>
Stocks abroad and on consignment.....	5,225,202	3,346,923
Material in Transit.....	1,476,733	1,275,689
	<hr/>	<hr/>
Total.....	\$113,387,997	\$94,812,546

CAPITAL EXPENDITURES.

The expenditures made by all companies during the year, and properly chargeable to capital account, for the acquisition of additional property and for construction, less credits for property sold, equalled the sum of \$24,395,408.49. These expenditures comprehend, as stated in the certificate of the chartered accountants (see page 27), only actual additions and extensions to the plants and properties. The funds for the payment of the above total have been provided from the following sources, viz.:

From Bonds, Mortgages and Purchase Obligations issued and disposed of during the year.....	\$4,425,998.95
From Depreciation and Sinking Funds appropriated for payment of expenditures included therein.....	1,533,268.42
From Surplus Net Income specifically appropriated for payment of capital expenditures and formally charged off.....	14,300,693.47
And the balance has been advanced from the general surplus account as an investment thereof in Property Account	4,135,447.65
	<hr/>
	\$24,395,408.49

The capital expenditures are classified by property groups as follows:

Manufacturing Properties.....	\$8,564,139.38
Coal and Coke Properties.....	4,178,985.67
Iron Ore Properties.....	2,351,757.22
Transportation Properties.....	7,351,049.29
Miscellaneous Properties.....	1,949,476.93
	<hr/>
Total for the year 1905.....	\$24,395,408.49
Amount expended for additional property and construction from April 1, 1901, to January 1, 1905.....	82,543,482.54
	<hr/>
Making a grand total expended to January 1, 1906, of.....	\$106,938,891.03

Reference is made to statement on page 22 of this report showing the sources from which were provided the funds for payment of the above total of capital expenditures since April 1, 1901; also for the payments made since same date of capital liabilities (bonds, mortgages and purchase obligations), together with the disposition made in the accounts of the organization of the charges and payments named.

Some of the principal additions to the properties of the subsidiary companies on account of which expenditures were made during the year 1905 are as follows:

MANUFACTURING PROPERTIES.

Total expended during the year by all Manufacturing Companies..... \$8,564,139.38

CARNEGIE STEEL COMPANY—ADDITIONS COMPLETED DURING YEAR: New Light Rail Mill at Edgar Thomson Works; New Blast Furnace at Mingo Works.

WORK IN PROGRESS: At Columbus, Ohio, Plant, New Sheet Bar Mill.

ILLINOIS STEEL COMPANY—ADDITIONS COMPLETED DURING YEAR: At South Works, a New O. H. Furnace Plant (seven 50 ton furnaces); new Blooming Mill, and a new 48 inch Universal Plate Mill. At Buffington, Ind., new Cement Plant for the manufacture of Portland Cement, having an annual capacity of 1,600,000 barrels.

WORK IN PROGRESS: Expenditures were made on account of the following additions which were uncompleted at the close of the year, viz.: At South Works, Chicago: New Structural Mill; an additional Blast Furnace, and an extension to the new O. H. Furnace Plant completed in 1905, this extension to comprise seven additional 50 ton furnaces.

THE NATIONAL TUBE COMPANY—The construction work which has been under way at the Lorain Plant, Lorain, Ohio, since the Spring of 1903 was practically completed during the year 1905. The additions made to the plant comprise two

Blast Furnaces, Ore Docks and Yards, Ore Handling Machinery, Skelp Mills, including one 90 inch Plate Mill, one 48 inch Universal Mill, one 28 inch Reversing Mill, and one 14 inch Continuous Mill, for making pipe skelp; new Pipe Mills for manufacturing tubes and pipe from $\frac{1}{8}$ inch to 18 inches, together with all necessary auxiliary departments and accessory works. All of the foregoing mills and facilities are now in operation. The annual productive capacity has been increased through the foregoing additions to the extent of 350,000 tons of pig iron, 330,000 tons of skelp and 300,000 tons of finished tubular goods.

NATIONAL TUBE COMPANY—WORK IN PROGRESS: Material progress was made during the year in the work of enlarging and rebuilding the National Works of this company at McKeesport, Pa., reference to which was made in the annual report for 1904. The expenditures made to December 31, 1905, covered about 40 per cent. of the total estimated cost involved. The entire work will not be completed until the early part of 1908. The rebuilding is being accomplished without interrupting the operations of the plant. The improvements consist of one additional Blast Furnace, new Hot Metal Mixer, and increasing capacity of Converting Works, all of which were practically completed at December 31, 1905; also the construction of new Ore Yards, installing Car Dumper, and the rebuilding and increasing capacity of Rolling Mills, Tube and Pipe Mills, and installing improved and additional Power and Water Supply Plant. Notwithstanding the total capacity of the new plant will be increased over the old to the extent of 55 per cent. in the production of pig iron, 66 per cent. in the production of steel, and 35 per cent. in the production of finished tubular product, only one-third of the entire cost of the foregoing work is charged to Capital Account; the balance is charged direct to funds provided from earnings.

At the Riverside Plant of this company there were installed during the year a new Hot Metal Mixer and a Water Purifying Plant.

AMERICAN STEEL AND WIRE COMPANY—WORK COMPLETED DURING YEAR: Additional warehouses at Consolidated Works, Cleveland, at DeKalb Works, Illinois, and at Louisville, Ky.; New Yard Building at American Works, Cleveland; additional Wire Drawing Equipment at DeKalb, Consolidated, American, Newburg, Braddock, Rankin, Allentown and Worcester (North) Works; additional Wire Insulating Equipment at Electrical Works, Worcester; additional Wire Fence Equipment at Waukegan, Consolidated and Worcester (North) Works; additional Nail Machines at H. P. Works; additional Galvanizing Furnace at Consolidated Works, and additional Galvanizing Equipment at American Works; additional Copperas Department Equipment at Waukegan Works. Ten new Steel Barges were added to the coal carrying fleet operating on Monongahela River. Additional Railroad Yard Tracks at Newburg and DeKalb Works.

WORK IN PROGRESS: Additional Warehouse, Waukegan Works; additional Cooper Shop and Storage Building, Consolidated Works; additional Sulphate of Iron Equipment at Scott Street and Rockdale Works; additional Wire and Wire Drawing Equipment at Rockdale and Worcester (North) Works; additional Galvanizing Furnace and Equipment at DeKalb Works; extension of Spring Works and additional Equipment at Waukegan Works; additional Equipment in Paper Insulating Cable Department, Worcester Electrical Works.

AMERICAN SHEET AND TIN PLATE COMPANY—WORK COMPLETED DURING YEAR: One O. H. Furnace and additional Galvanizing capacity at Vandergrift Works; one new Hot Mill at Hyde Park Works; purchase of Tin Plate Mill at Morgantown, W. Va., formerly the property of the Morgantown Tin Plate Co.; plant consists of Six Hot Mills, which will be enlarged to Ten Mills, the work of enlarging being now in progress.

WORK IN PROGRESS: Extending Natural Gas line into the Templeton Field, including installation of pumping plant.

UNION STEEL COMPANY—WORK COMPLETED DURING YEAR: New Warehouse and additional Field Fence Equipment at Donora Works; New Hot Metal Mixer and additional Field Fence Equipment at South Sharon Works. Expenditures were also made during year on account of eight additional Field Fence Machines which are being installed at Donora Works; also account of enlarging and increasing the finishing capacity of Sharon Tin Plate Mill.

CLAIRTON STEEL COMPANY—WORK COMPLETED DURING YEAR: Construction and installation at Clairton Works of one new 18 inch Bar and small Structural Shape Mill; also of one 22 inch Structural Mill. There are in course of construction at same plant a New Roll Shop and a New Ladle House Building, including Equipment.

COAL AND COKE PROPERTIES.

Total expended during the year by all Coal and Coke Companies.....	\$4,178,985.67
--------------------------------------------------------------------	----------------

The property of the Hecla Coke Co. was acquired on April 1, 1905. This property is located in the Connellsville region and consisted of about 1,200 acres of unmined coking coal held under a long term lease, together with three coking plants, comprising in all 1,072 bee-hive ovens.

There were acquired during the year by purchase 1,126.05 acres of coking coal and 26.86 acres of surface land, located in the Connellsville region; also 220 acres of steam coal located in Allegheny County, Pa.

At Edenborn a Coal Crusher was installed. Expenditures were made account of a new coal loading plant at the Leith Mine, also account of the installation at the South Sharon By-Product Coke plant of a Coal Crushing and Mixing Plant, and of an extension to the Sulphate of Ammonia Plant. Neither of these was fully completed at the close of the year.

Four hundred new Steel Coal Cars were acquired by the National Mining Company in order to facilitate the prompt despatch of its product.

In the Pocahontas Field in West Virginia a further expenditure of \$930,029.07 was made during the year in opening and developing the property and in the construction of additional coke ovens. Seven hundred and twenty-one additional ovens were completed and fired during the year. Additional outlays of a considerable amount will still have to be made to bring this property up to its maximum producing capacity.

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IRON ORE PROPERTIES.

Total expended during the year by all Ore Companies..... \$2,351,757.22

The outlays made during the year for acquirement of additional iron ore property comprehend the purchase of one-half interest in the fee of the St. Clair mine; the one-fifth interest (not heretofore owned) in the fee of the Iron Ridge mine; leases of the Canisteeo and Whiteside properties, also of sundry other tracts of mineral, timber and miscellaneous property. As much of the ore property is acquired on a royalty basis which does not represent a large initial cash outlay, the increase in the capital investment account is small in comparison with the quantity of ore secured.

Expenditures were made during the year for construction and development, and for additional equipment, at various mines as follows:

At Canisteeo Mine (new mine)—Power Plant, Hoisting machinery, Machine Shops, Pumping Plant, Dwellings, etc. At Hartford Mine—Installation of an additional pump and additional shaft equipment. At Higgins Mine—Six cottages and additional Power and Water supply equipment. At Mansfield Mine—New Pumping plant. Monroe-Tener Mine (new mine)—Pumping Plant, Electric underground haulage, Laboratory and Crusher House and other development work incident to opening a new mine. Norrie-Aurora Mine—New Air Line and other improvements. Zenith Mine—New Power Plant at No. 2 Shaft. Fayal Mine—New Power House, Dry House and Coal Trestle. Atlantic Mine—Additional Mine equipment. Aragon Mine—Additional Mine equipment, new Air Line and Yard Tracks. Burt Mine—New Repair Shop and new Power House, also three dwellings. Hull Mine—Boiler House, Coal Trestle and Pumping Plant. There were acquired during the year for use on the Missabe range in stripping operations and for open pit mining the following additional standard gauge equipment: 17 Locomotives, 14 Steam Shovels, and 100 Stripping (dump) Cars, costing in all \$339,996.59.

TRANSPORTATION PROPERTIES.

Total expended during the year by all Transportation Companies..... \$7,351,049.29

The expenditures as above cover the cost of the following additional equipment acquired by the several railway companies, viz.: 33 road and 7 switching Locomotives, one Parlor Car, one Baggage Car, 2,000 Steel Ore Cars, 800 Steel Side Dump Cars, 150 Flat Cars, 17 Caboose Cars, one 100-Ton Wrecking Crane, two Work Cars, and one Steam Shovel. Total expenditure account of the foregoing equipment, \$3,541,020.67.

There were added to the fleet of the Pittsburgh Steamship Company two 10,000 ton Steamships, costing \$775,511. Two additional 10,000 ton steamships were also purchased to restore carrying capacity of the fleet lost and disposed of; these latter were charged to Replacement account.

Expenditures were made during the year in the construction of the following new lines of railway:

By Connellsville & Monongahela Ry. Co.: Construction of the line of railway from Buffington, Pa., to Brownsville, Pa., 16.29 miles. This line was completed and put in operation on June 1, 1905.

By Monongahela Southern Ry. Co.: Construction of line of railway about six miles in length from a connection with the Union R. R. near Duquesne Plant of Carnegie Steel Company to a connection with the West Side Belt Ry. (Wabash System). This connection will be completed in 1906.

By Elgin, Joliet & Eastern Ry. Co.: Construction of a line from Rockdale Junction to Rockdale, Ill., 6.57 miles. This line was completed and placed in operation during the year.

By Duluth, Missabe & Northern Railway Co.: Construction of a branch line about 55 miles in length from Alborn Junction to Buckeye, Minn. This line will be completed in 1906, and will reach large deposits of iron ore, the greater part of which was acquired during the last three years.

In addition to the capital expenditures made for the foregoing, the several railway companies expended large sums for general and miscellaneous construction work. Some of the principal outlays were:

By Elgin, Joliet & Eastern Ry. Co.: Construction of new Slip, Waukegan Harbor; additional Shop Machinery and Tools, Joliet Shops.

By Duluth & Iron Range R. R. Co.: Extending Ore Dock No. 3, Two Harbors (78 new pockets added); Enlargement of Ore Yards at Two Harbors; Second Main Track between Colby and Wyman; Spur Tracks to the Mohawk mine, to Holland mine and to Duluth mine.

By Duluth, Missabe & Northern Ry. Co.: Construction of Main Track Connecting by cut-off the Main line and the Hibbing branch; seven and six-tenths miles of second track on the Superior branch; 22.11 miles of second track between Carson and Paine; new Machine Shop, new Car Shop, new Track Scale and Office, and enlarging Yard at Proctor.

MISCELLANEOUS PROPERTIES.

Total expended during the year by all companies..... \$1,949,476.93

The expenditures as above include the outlay made by the Clairton Land Company in the acquirement of sixty lots and 167 acres of land lying immediately north of the Clairton Plant of the Clairton Steel Company in Allegheny County, Pa. This property fronts on the Monongahela River, and its acquirement secures for the organization a large area available for future extension of the Clairton Plant if desired.

The foregoing expenditures also include the cost of constructing an extensive water supply system in the Connellsville Coke region; also the cost of a considerable area of natural gas territory acquired during the year.

SUMMARY OF EXPENDITURES FOR ADDITIONAL PROPERTY AND
CONSTRUCTION AND FOR PAYMENT OF CAPITAL
LIABILITIES.

From April 1, 1901, to December 31, 1905.

The following is a summary of the payments which have been made by all companies since April 1, 1901 (the date of organization of U. S. Steel Corporation), for the above named purposes, viz.:

For Additional Property and Construction.....	\$106,938,891.03
For Bonds and Mortgages discharged, exclusive of bonds redeemed with Sinking Fund moneys	8,837,661.78
For Bonds redeemed with Bond Sinking Funds.....	20,027,021.06
For Purchase Money Obligations paid off, originally issued for acquirement of property.....	28,750,518.63
 Total.....	 \$164,554,092.50

Of the foregoing total expenditures and payments there have been financed by the issue and sale of securities the following amounts, viz.:

By U. S. Steel Corporation 10-60 Year 5% Bonds.....	\$20,000,000.00
By Union Steel Co. Mortgage and Collateral Trust Bonds issued and sold for account of construction expenditures on that company's properties made since December 1, 1902.....	6,456,727.79
By Bonds and Mortgages of sundry subsidiary companies.....	6,999,344.63
By Purchase Money Obligations issued.....	3,132,714.45
 Balance of expenditures.....	 36,588,786.87
	 \$127,965,305.63

This balance of capital expenditures has been paid with funds derived from the following sources, to wit:

Bonds paid from Bond Sinking Funds set aside from net earnings, and the interest accretions thereon.....	\$20,027,021.06
Expenditures paid from bond sinking, depreciation and improvement funds, and from surplus net income, and formally written off thereto by authority of the Board of Directors, the Property Account being correspondingly reduced, viz.:	

<i>Expended for</i>	<i>Paid from Sinking, Depreciation and Improvement Funds.</i>	<i>Paid from Surplus Net Income.</i>
Additional Property and Construction.....	\$17,474,433.42	\$31,188,136.48
Payment of Capital Liabilities.....	6,668,138.70	10,298,526.38
 Total.....	 \$24,142,572.12	 \$41,486,662.86
		65,629,234.98

Total of payments made from Funds and Surplus Net Income and charged off thereto.	\$85,656,256.04
And the remainder of the outlays has been paid from the capital surplus provided at date of organization and the balance of accumulated surplus net income of the U. S. Steel Corporation and the Subsidiary Companies as shown at December 31, 1905....	42,309,049.59
 Total.....	 \$127,965,305.63

The foregoing balance of \$42,309,049.59 paid from the surplus as at December 31, 1905, represents an

investment of that amount of said surplus in outlays for capital expenditures, and carried in Property Investment Account, as follows:

Capital expenditures made against which there may be issued and sold Treasury bonds as follows:

(a) The \$30,000,000 of U. S. Steel Corporation 10-60 Year 5% Bonds, which have been executed and certified and are now held in the Treasury of the Corporation, being the residue of the \$50,000,000 of the said bonds which may be issued and sold as authorized by the stockholders May 19, 1902.....	\$30,000,000.00
(b) Union Steel Co.'s Mortgage and Collateral Trust Bonds which have been authorized and may be issued and sold at the option of that company to reimburse it for outlays for new property and construction.....	3,074,000.00
(c) Sundry subsidiary companies' bonds authorized and created to cover capital expenditures made and which are on hand unsold in Treasury of the U. S. Steel Corporation, as see page 14.....	2,839,000.00
Capital expenditures made by sundry subsidiary companies, to finance which bonds of said companies are to be authorized and created.....	1,632,223.31
Investment in mineral lands, to be repaid from future depreciation funds.....	2,774,675.35
Part cost of additional real estate and plant, which will be repaid from proceeds of detached real estate when disposed of.....	786,205.01
Payments made for discharge of certain bonds and mortgages of Clairton Steel Co., in lieu of which securities of that company may be issued for benefit of U. S. Steel Corporation, thus replacing capital liabilities existing when Clairton Steel Co.'s stock was acquired by the Steel Corporation.....	999,833.28
Sundry miscellaneous construction accounts.....	203,112.64
Total.....	\$42,309,049.59

EMPLOYES AND PAY ROLLS.

The average number of employes in the service of all companies during the fiscal year of 1905, in comparison with the fiscal year of 1904, was as follows:

<i>Employes of</i>	<i>1905.</i>	<i>1904.</i>
	<i>Number.</i>	<i>Number.</i>
Manufacturing Properties.....	130,614	110,864
Coal and Coke Properties.....	20,883	15,654
Iron Ore Mining Properties.....	12,068	8,477
Transportation Properties.....	14,524	10,595
Miscellaneous Properties.....	2,069	1,753
Total	180,158	147,343
Total annual salaries and wages.....	\$128,052,955	\$99,778,276

EMPLOYES' SUBSCRIPTION TO PREFERRED STOCK.

At the end of 1905 there was again offered to the employes of this Corporation and of the subsidiary companies the privilege of subscribing for Preferred Stock of the United States Steel Corporation on substantially the same conditions as offered in previous years, except the price fixed was \$100 per share. Under the offer subscriptions were received from 12,256 employes, for a total of 23,989 shares.

BALANCE SHEET AND STATEMENTS OF ACCOUNTS AND STATISTICS.

As in previous years' reports, the statements of accounts, statistics, etc., presented in this report, comprehend the combined results for the United States Steel Corporation and all the Subsidiary Companies. The Condensed Balance Sheet, page 28, exhibits the combined assets and liabilities of the United States Steel Corporation and of the several Subsidiary Companies, based on the valuations at which the stocks of the Subsidiary Companies and The Carnegie Company bonds were acquired by the Steel Corporation, but *liabilities from one company to another are omitted from both liabilities and assets.*

The Combined Balance Sheet for December 31, 1905, includes for the first time under their respective headings the proportionate part owned by Steel Corporation interests of the assets and liabilities of the Pennsylvania & Lake Erie Dock Co. In previous years' balance sheets the net of this investment was included in the item of "Outside Real Estate and Other Property." The including of these assets and liabilities in detail, accounts for virtually all of the adjustment item of \$646,213.01 shown under heading of "Property Account."

The accounts of the Steel Corporation and of the Subsidiary Companies for the year 1905 have been audited by Price, Waterhouse & Co., the chartered accountants selected for this purpose by the stockholders at the annual meeting April 17, 1905. The certificate of the chartered accountants is printed in full on page 27.

GENERAL.

The improvement in the iron and steel business which became evident in the latter part of 1904, and to which reference was made in the last annual report, was generally maintained throughout the entire year of 1905. The tonnage of unfilled orders on the books on December 31, 1905, was 7,605,086 tons of all kinds of manufactured products, in comparison with 4,696,203 tons at the close of 1904.

The manufacturing departments of the subsidiary companies were operated throughout the year with little interruption. The production of pig iron, steel ingots and finished products for sale, exceeded that of any previous year. The production of finished products for sale, practically all of which tonnage was shipped to customers, exceeded by 1,029,154 tons the output in 1902, which was the highest production in any previous year. The average prices received in 1905 for most of the tonnage were, however, somewhat less than the prices which obtained in 1902. The volume of production in the iron ore, coal and coke departments, and the traffic handled by the transportation lines, exceeded materially all previous records.

Satisfactory results have been obtained in the export trade. During the year there were exported 953,858 tons of manufactured products. The prices received for exports during the year were materially in excess of those previously received and approached more closely domestic prices. It is the policy of manufacturers to keep the furnaces, mills and transportation companies in operation to their full capacity whenever practicable. Obviously this is wise. It results in lower cost of production, and, therefore, influences lower prices generally to the domestic purchaser; and it secures continuous employment to the wage earner. For these reasons it is sometimes

deemed proper and desirable to sell for export, what would otherwise be surplus products, at prices lower than domestic prices. If a contrary policy should be adopted the general cost of production would be increased, the employes would at times be idle, and balances of trade between foreign countries and this country would be changed to the prejudice of the latter. This policy has been adopted and is practiced generally throughout the business world. However, trade conditions during 1905 enabled manufacturers of steel in this country to realize fair prices for their exported commodities.

As in previous years liberal outlays were made by the subsidiary companies for additional property acquired, new construction, improvements and unusual replacement. The expenditures during the year for all these purposes, as shown in detail in this report, equalled \$37,890,548.74. It can be attributed largely to the liberal expenditures made during the last four years in improving and expanding the properties that it was possible to accomplish the record breaking results in production and handling of business which resulted for the year 1905; and consequently to realize the amount of net earnings shown for the year. The subsidiary companies have authorized extensive appropriations for construction and improvement work for the year 1906. On January 1, 1906, the amount unexpended on these appropriations (exclusive of requirements for construction of new plant in the Chicago District) was approximately \$61,500,000. Probably twenty per cent. will, however, not be expended until after January 1, 1907.

Although the capacity of the producing furnaces and mills located at Chicago and vicinity has been materially increased from time to time, it has not kept pace with the increased, and rapidly increasing, consumption tributary to this location; and therefore a large percentage of this tonnage is now supplied from Eastern mills. In consequence of these conditions it has been decided to construct and put into operation a new plant to be located on the south shore of Lake Michigan, in Calumet Township, Lake County, Indiana, and a large acreage of land has been purchased for that purpose. It is proposed to construct a plant of the most modern standard, and to completely equip the same for the manufacture of pig iron, bessemer and open hearth steel, and a great variety of finished steel products. The total cost will be large. The conclusion to build this plant has been made after very careful consideration by the Finance Committee and the Board of Directors of this Corporation. Notwithstanding the large sums which have been paid since the organization of the Corporation for increasing the producing capacity by subsidiary companies they have only maintained their position in the trade. In 1901 these companies produced 43.2 per cent. of the pig iron manufactured in this country, and in 1905, 44.2 per cent. In 1901 these companies produced 66.2 per cent. of the bessemer and open hearth steel ingots, and in 1905, 60.2 per cent. While these companies do not expect or desire to control the steel industry, they must, so far as proper and practicable, maintain their position; and to do this it has been, and will be, necessary to expend large sums of money from time to time.

Since this Corporation was organized there have been acquired additional ore and coal properties, and also lands for extension of mills and furnaces, to a large extent; and these, in connection with the properties and business of subsidiary companies, will prove to be of great value.

The organizations, at the present time, of this Corporation, and of the subsidiary companies, are exceptionally good. Their efficiency is evidenced by the fact that they have utilized the well equipped plants under their management so as to re-establish in 1905 the rate of wages to the vast army of laborers on practically the same basis which existed in 1901, notwithstanding the prices received for the commodities produced and sold were materially less in 1905 than they were in 1901.

In December, 1904, a contract was entered into with the Dering Coal Company for the requirements for fifty years of fuel and gas coal needed by the subsidiary companies located in the Chicago District. This contract

secures a large tonnage of coal upon favorable terms. Likewise in April, 1905, a similar contract was entered into with the Pittsburgh Coal Company for the requirements for twenty-five years of fuel and gas coal needed by the subsidiary companies located in the Pittsburg and Valley Districts, and by the mining and transportation interests in the Lake Superior region.

Careful attention has been given to the affairs of the Corporation and subsidiary companies by the Board of Directors of this Corporation and the members of the Finance Committee. During the year thirteen Directors' meetings were held; and sixty-five meetings of the Finance Committee were held. Special committees of the Finance Committee were also frequently appointed to consider in detail and report conclusions in regard to special matters of importance. The action of the Finance Committee from time to time is recorded and reported to the Board of Directors at their meetings.

The Board takes pleasure in acknowledging the loyal and efficient services of the officers and employes of the Corporation and the several subsidiary companies.

BY ORDER OF THE BOARD OF DIRECTORS,

ELBERT H. GARY,

Chairman of the Board.

WILLIAM E. COREY,

President.

CERTIFICATE OF CHARTERED ACCOUNTANTS.

NEW YORK, February 28, 1906.

To the Stockholders of the United States Steel Corporation:

We have examined the books of the U. S. Steel Corporation and Subsidiary Companies for the year ending December 31, 1905, and certify that the Balance Sheet at that date and the Relative Income Account are correctly prepared therefrom.

We have satisfied ourselves that during the year only actual additions and extensions have been charged to Property Account; that ample provision has been made for Depreciation and Extinguishment, and that the item of "Deferred Charges" represents expenditures reasonably and properly carried forward to operations of subsequent years.

We are satisfied that the valuations of the inventories of stocks on hand as certified by the responsible officials have been carefully and accurately made at approximate cost; also that the cost of material and labor on contracts in progress has been carefully ascertained.

Full provision has been made for bad and doubtful accounts receivable and for all ascertainable liabilities.

We have verified the cash and securities by actual inspection or by certificates from the Depositories, and are of opinion that the marketable Stocks and Bonds included in Current Assets are worth the value at which they are stated in the Balance Sheet.

And we certify that in our opinion the Balance Sheet is properly drawn up so as to show the true financial position of the Corporation and Subsidiary Companies on December 31, 1905, and that the Relative Income Account is a fair and correct statement of the net earnings for the fiscal year ending at that date.

PRICE, WATERHOUSE & CO.

INCOME ACCOUNT.

For the Fiscal Year ended December 31, 1905.

Total net earnings of all properties after deducting expenditures for ordinary repairs and maintenance (approximately \$24,000,000), employees' bonus funds, and also interest on bonds and fixed charges of the Subsidiary Companies, per General Profit and Loss Account, page 30.....	\$119,787,658.43
Less: Appropriations for the following purposes, viz.:	
Sinking Funds on Bonds of Subsidiary Companies.....	\$1,689,999.46
Depreciation and Extinguishment Funds (regular provisions for the year)	5,844,981.17
Extraordinary Replacement Funds (regular provisions for the year)	13,587,909.87
Special Depreciation and Replacement Funds.....	2,232,172.00
	<u>23,355,062.50</u>
Balance of Net Earnings in the year 1905.....	\$96,432,595.93
Deduct:	
Interest on U. S. Steel Corporation Bonds outstanding, viz.:	
Fifty Year 5 per cent. Gold Bonds.....	\$14,669,291.42
Ten-Sixty Year 5 per cent. Gold Bonds.....	8,387,145.83
Sinking Funds on U. S. Steel Corporation Bonds, viz.:	
Annual Instalment on 50 Year 5 per cent. Gold Bonds.....	3,040,000.00
Annual Instalment on 10-60 Year 5 per cent. Gold Bonds.....	1,010,000.00
Interest on above Bonds in Sinking Funds.....	641,412.75
	<u>27,747,850.00</u>
Less: Charged off for adjustments in sundry accounts.....	\$68,684,745.93
	<u>99,253.78</u>
Balance	\$68,585,492.15
Dividends for the year 1905 on U. S. Steel Corporation Preferred Stock, viz.:	
No. 16, 1 3/4 per cent., paid May 31, 1905.....	\$6,304,919.25
No. 17, 1 3/4 per cent., paid August 30, 1905.....	6,304,919.25
No. 18, 1 3/4 per cent., paid November 30, 1905.....	6,304,919.25
No. 19, 1 3/4 per cent., paid February 28, 1906.....	6,304,919.25
	<u>25,219,677.00</u>
Surplus Net Income for the year.....	\$43,365,815.15
Appropriated from Surplus Net Income for the following purposes, viz.:	
On account of expenditures made and to be made on authorized appropriations for additional property and construction, and for discharge of capital obligations.....	\$16,300,000.00
Specifically set aside for contemplated appropriations and expenditures	10,000,000.00
	<u>26,300,000.00</u>
Balance of Surplus for the year.....	\$17,065,815.15
Balance of Surplus on December 31, 1904.....	27,247,978.92
Total Surplus December 31, 1905, exclusive of capital surplus provided in organization, and of Subsidiary Companies' Inter-Company Profits in Inventories	<u>\$44,313,794.07</u>

We certify that in our opinion the above Income Account is a fair and correct statement of the Net Earnings and Income of the United States Steel Corporation and Subsidiary Companies for the fiscal year ending December 31, 1905.

PRICE, WATERHOUSE & Co.,
Auditors.

NEW YORK, February 28, 1906.

LIABILITIES.

CAPITAL STOCK OF U. S. STEEL CORPORATION:

Common	\$508,302,500.00
Preferred	360,281,100.00
	\$868,583,600.00

CAPITAL STOCKS OF SUBSIDIARY COMPANIES NOT HELD BY U. S. STEEL CORPORATION (*Par Value*)**90,914.38**

BONDED AND DEBENTURE DEBT:

United States Steel Corporation 50 Year 5% Bonds.....	\$303,957,000.00
United States Steel Corporation 10-60 Year 5% Bonds.....	170,000,000.00
	<u>\$473,957,000.00</u>
Less: Redeemed and held by Trustees of Sinking Funds..	14,551,000.00
	<u>\$459,406,000.00</u>
Balance outstanding.....	
Subsidiary Cos.' Bds. (Guaranteed by U. S. Steel Corp'n)....	\$48,607,000.00
Subsidiary Cos.' Bds. (Not guaranteed by U. S. Steel Corp'n)....	65,196,690.94
	<u>\$113,803,690.94</u>
Less: Redeemed and held by Trustees of Sinking Funds..	5,351,000.00
	<u>108,452,690.94</u>
Balance outstanding.....	
Debenture Scrip, Illinois Steel Company.....	35,069.18
	<u>567,893,760.12</u>

CAPITAL OBLIGATIONS AUTHORIZED OR CREATED FOR CAPITAL EXPENDITURES MADE (HELD IN THE TREASURY SUBJECT TO SALE, BUT NOT INCLUDED IN ASSETS—See page 14):

U. S. Steel Corporation 10-60 Year 5% Bonds.....	\$30,000,000.00
Subsidiary Companies' Bonds.....	5,913,000.00
Total, not included in General Balance Sheet Assets or Liabilities.....	<u>\$35,913,000.00</u>

MORTGAGES AND PURCHASE MONEY OBLIGATIONS OF SUBSIDIARY COMPANIES:

Mortgages	\$2,578,504.81
Purchase Money Obligations.....	2,943,369.36
	5,521,874.17

CURRENT LIABILITIES:

Current Accounts Payable and Pay Rolls.....	\$21,381,119.55
Bills and Loans Payable (Subsidiary Companies)	2,771,217.98
Special Deposits or Loans due employes and others.....	936,159.48
Accrued Taxes not yet due.....	2,174,171.07
Accrued Interest and Unpresented Coupons.....	7,199,971.02
Preferred Stock Dividend No. 19, Payable February 28, 1906.....	6,304,919.25
	40,767,558.35
Total Capital and Current Liabilities.....	\$1,482,857,707.02

SINKING AND RESERVE FUNDS:

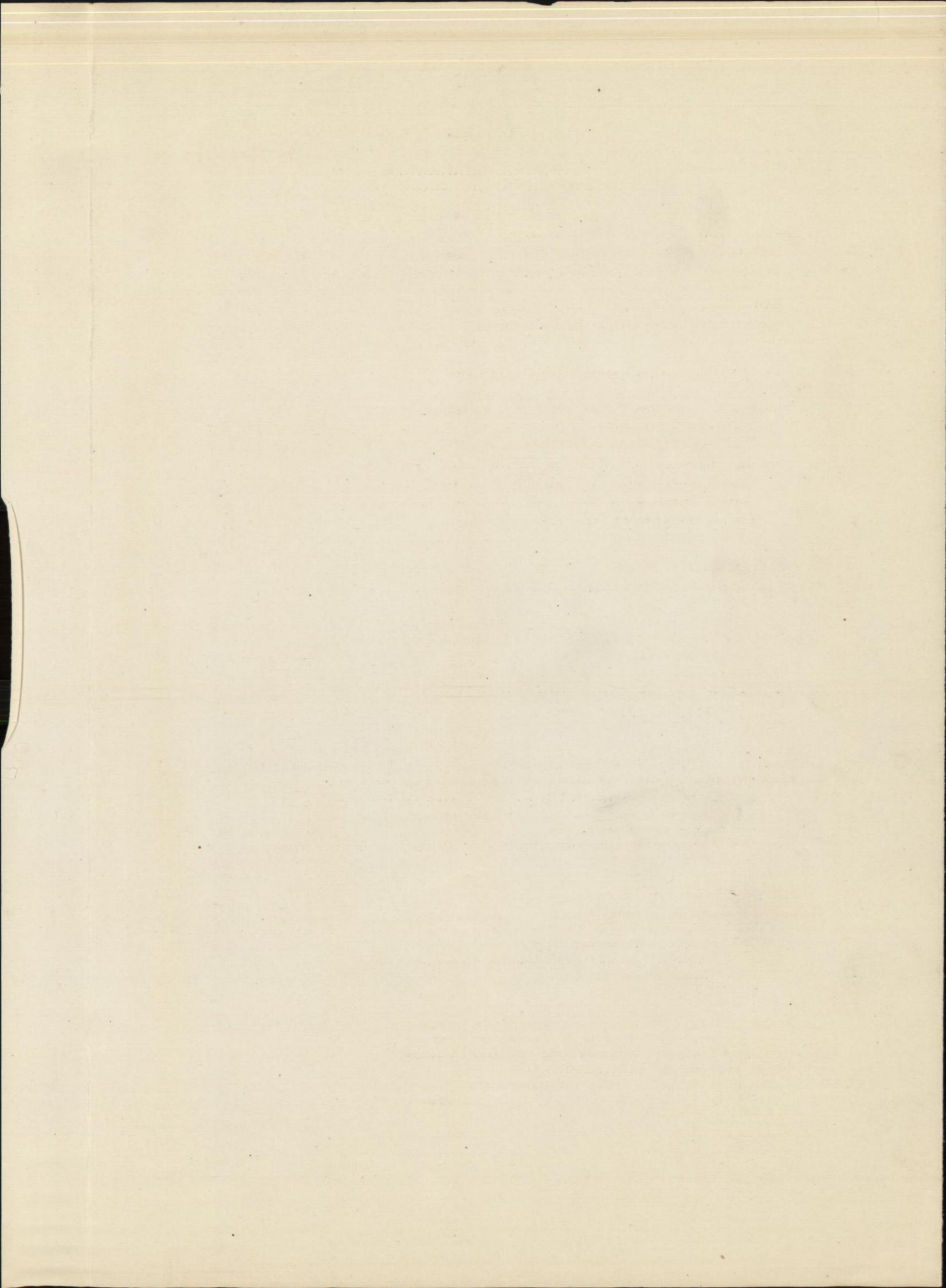
Sinking, Depreciation and Replacement Funds, per table on page 10.....	\$29,651,244.97
Construction Fund for authorized appropriations (see page 12).....	540,701.30
Special Fund reserved for contemplated appropriations	10,000,000.00
Contingent and Miscellaneous Operating Funds	6,153,659.16
Insurance Funds.....	3,587,473.16
	49,933,078.59
	20,282,021.45

BOND SINKING FUNDS WITH ACCRETIONS

Represented by Cash (and by redeemed bonds not treated as assets—See Contra).

UNDIVIDED SURPLUS OF U. S. STEEL CORPORATION AND SUBSIDIARY COMPANIES:

Capital Surplus provided in organization.....	\$25,000,000.00
Balance of Surplus accumulated by all companies from April 1, 1901, to December 31, 1905, per table on page 28.....	44,313,794.07
	<u>\$69,313,794.07</u>
Total Surplus exclusive of Subsidiary Companies' Inter-Company Profits in Inventories.....	
Undivided Surplus of Subsidiary Companies, representing Profits accrued on sale of materials and products to other Subsidiary Companies, on hand in latter's Inventories.....	15,424,656.60
	84,738,450.67
	\$1,637,811,257.73



CONDENSED GENERAL BALAN

ASSETS.

PROPERTY ACCOUNT:

PROPERTIES OWNED AND OPERATED BY THE SEVERAL COMPANIES:

Balance of this account as of December 31, 1904	\$1,373,967,045.68
Adjustments during 1905 in foregoing balance (see page 24)	646,213.01
Expended for Additional Property and Construction in 1905.....	24,395,408.49
	<hr/>
	\$1,399,008.667.18

Less: Charged off to the following accounts, viz.:

To Bond Sinking Funds.....	\$618,985.49
To Depreciation and Extinguishment Funds	2,599,350.74
To Fund provided from Surplus Net Income for payment of capital expenditures.....	15,759,298.70
	<hr/>
	18,977,634.93

\$1,380,031,032.25

DEFERRED CHARGES TO OPERATIONS:

Expenditures for Stripping and Development at Mines, for Advanced Mining Royalties, Exploration Expenses and Miscellaneous charges, chargeable to future operations of the properties.

7,214,709.52

INVESTMENTS:

Outside Real Estate and Other Property.....

1,180,342.84

SINKING AND RESERVE FUND ASSETS:

Cash held by Trustees account of Bond Sinking Funds.....

\$380,021.45

(\$19,902,000 par value of Redeemed Bonds held by Trustees, not
treated as an asset.)

Contingent Fund and Miscellaneous Assets.....

640,889.28

Insurance Fund Assets (at cost).....

3,547,351.83

Depreciation and Extinguishment Fund Assets (at cost).....

6,896,019.85

Investments for acct. Special Fund for Contemplated Appropriat'ns (at cost).....

5,272,270.66

16,736,553.07

CURRENT ASSETS:

Inventories*

\$113,387,996.70

Accounts Receivable.....

49,945,171.78

Bills Receivable.....

2,984,066.69

Agents' Balances.....

787,661.76

Sundry Marketable Bonds and Stocks.....

6,587,808.58

Cash (in hand and on deposit with Banks, Bankers and Trust Companies sub-
ject to check).....

58,955,914.54

232,648,620.05

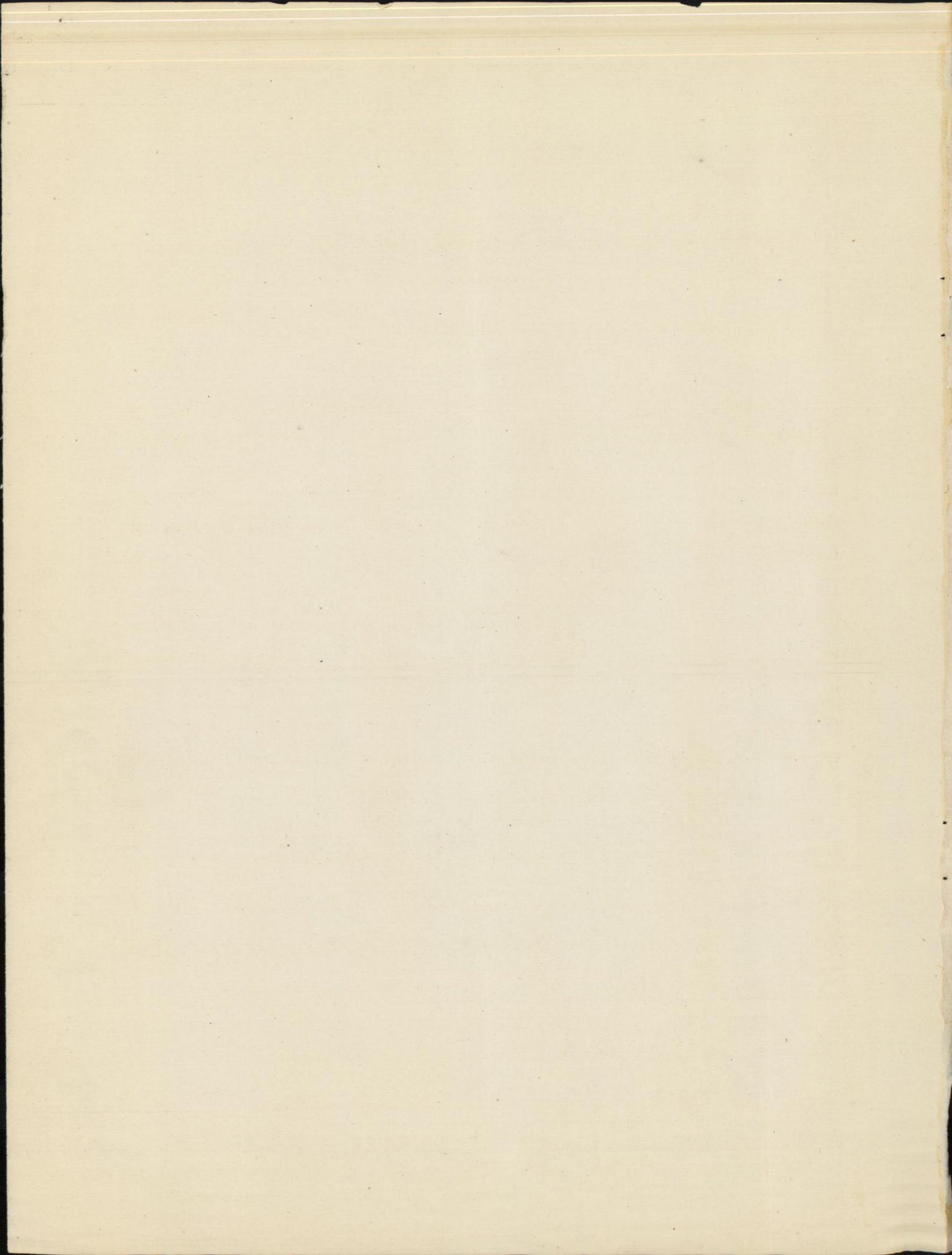
* Inventory valuations include profits accrued to subsidiary companies on materials and products sold to other subsidiary companies and undisposed of by the latter—see contra specific surplus account for these profits. The total of all inventories is, however, below the actual current market prices.

We have audited the above Balance Sheet,
and certify that in our opinion it is properly
drawn up so as to show the true financial
position of the United States Steel Corpo-
ration and Subsidiary Companies on De-
cember 31, 1905.

PRICE, WATERHOUSE & CO.,
Auditors.

NEW YORK, February 28, 1906.

\$1,637,811,257.73



UNITED STATES STEEL CORPORATION AND SUBSIDIARY
COMPANIES.

MONTHLY EARNINGS FROM APRIL 1, 1901, TO
DECEMBER 31, 1905.

MONTH.	1901.	1902.	1903.	1904.	1905.
January .....	.....	\$8,901,015.72	\$7,425,775.00	\$2,868,212.80	\$6,810,846.88
February .....	.....	7,678,583.47	7,730,361.12	4,540,672.74	6,629,462.87
March .....	.....	10,135,858.40	9,912,570.92	6,036,346.28	9,585,585.87
April	\$7,356,744.32	12,320,765.87	10,905,204.37	6,863,832.95	9,037,924.69
May	9,612,349.23	13,120,930.23	12,744,323.97	6,256,518.65	10,602,187.27
June	9,394,747.72	12,220,361.97	12,992,780.33	6,370,374.13	10,665,004.46
July	9,580,151.46	12,041,913.53	12,384,646.83	6,344,770.69	9,035,168.49
August	9,810,880.60	12,972,728.87	10,918,174.03	6,202,957.57	10,986,901.02
September	9,272,811.38	11,930,846.47	9,120,134.10	6,226,203.93	11,218,513.43
October	12,205,773.73	12,652,706.97	7,675,140.91	7,250,204.21	12,400,306.52
November	9,795,840.34	10,686,905.74	4,069,901.22	7,117,417.56	11,827,214.98
December	7,758,297.73	8,646,146.48	3,292,139.55	7,099,010.22	10,988,541.95
Total Nine Months.	\$84,787,596.51	.....	.....	.....	.....
Total for Year.....	.....	\$133,308,763.72	\$109,171,152.35	\$73,176,521.73	\$119,787,658.43

UNITED STATES STEEL CORPORATION AND SUBSIDIARY COMPANIES.
CONDENSED GENERAL PROFIT AND LOSS ACCOUNT

For year ending December 31, 1905.

GROSS RECEIPTS—Gross Sales and Earnings.....	\$585,331,736.20
Less: MANUFACTURING AND PRODUCING COST AND OPERATING EXPENSES.....	*440,013,432.40
Balance	\$145,318,303.80

Sundry Net Manufacturing and Operating Gains and Losses, including Idle	
Plant Expenses.....	\$2,228,371.28
Rentals received.....	530,262.28
	2,758,633.56
Total Net Manufacturing, Producing and Operating Income.....	\$148,076,937.36

OTHER INCOME.

Net Profits of Properties owned, but whose operations (gross revenue, cost of product, expenses, etc.) are not included in this statement	\$1,049,408.62
Interest and Dividends on Investments and on Deposits, etc.	2,249,091.50
	3,298,500.12
Total Income.....	\$151,375,437.48

GENERAL EXPENSES.

Administrative, Selling and General Expenses, and Employees' Bonus Funds, (not including general expenses of transportation companies).....	\$11,996,734.94
Taxes	3,646,489.60
Miscellaneous Expenses and Charges (Net).....	120,115.01
Commercial Discounts and Interest.....	2,807,034.94
	18,570,374.49
Balance of Income.....	\$132,805,062.99

INTEREST CHARGES.

Interest on Bonds and Mortgages of the Subsidiary Companies	\$6,382,080.40
Interest on Bills Payable and Purchase Money Obligations of the Subsidiary Companies	328,134.33
	6,710,214.73
Balance, being the aggregate net earnings of the several companies for the year...	\$126,094,848.26

Less: Profits earned by subsidiary companies on sales made and service rendered account of materials on hand in purchasing companies' inventories, and which profits have not yet been realized in cash from the standpoint of a combined statement of the business of the U. S. Steel Corporation and subsidiary companies	6,307,189.83
Net Earnings for the Year 1905, per Income Account, page 28.....	\$119,787,658.43

* Includes charges for ordinary maintenance and repairs, approximately \$24,000,000. See table on page 9.

UNITED STATES STEEL CORPORATION AND SUBSIDIARY COMPANIES.

SUMMARY OF THE FINANCIAL OPERATIONS OF ALL PROPERTIES

For the Year ending December 31, 1905.

Showing the Net Resources for the Year and the Disposition Thereof.

NET RESOURCES.

Profit and Loss Surplus for the year, page 28.....	\$17,065,815.15
Net Receipts appropriated from Earnings for Bond Sinking, Depreciation, Extraordinary Replacement and Improvement Funds (See Income Account, page 28).....	\$27,405,062.50
Sundry Receipts carried to Fund Accounts.....	1,581,032.27
	<hr/>
	\$28,986,094.77
Less: Payments made therefrom to Trustees of Sinking Funds	\$5,601,562.86
Expended for Extraordinary Replacements.....	13,495,140.25
	<hr/>
	19,096,703.11
Balance of receipts for the year account above funds	9,889,391.66
Net Earnings for the year appropriated to Fund for authorized capital expenditures.....	16,300,000.00
(Note: Of this amount \$15,759,298.70 was used during the year in part payment of the capital expenditures made as shown below.)	
Net Earnings for the year appropriated to Special Fund for contemplated appropriations.....	10,000,000.00
Net Receipts during the year account of Insurance and Contingent Funds.....	1,940,765.97
Bonds, Mortgages and Purchase Obligations of subsidiary companies issued and sold.....	5,556,534.50
Sundry Miscellaneous Receipts (Net).....	338,987.23
	<hr/>
Total Net Resources for the year.....	\$61,091,494.51

PAYMENTS MADE FOR THE FOLLOWING PURPOSES:

Expended for Construction and Additional Property.....	\$24,395,408.49
Bonds and Mortgages paid (not including bonds redeemed with Sinking Funds).....	2,064,691.30
Purchase Money Obligations, Bills Payable and Special Deposits or Loans paid off.....	2,535,648.45
Investments made for Insurance and Depreciation Funds.....	4,644,295.31
Investments made for Special Fund for contemplated appropriations	5,272,270.66
Investment in Stripping Work, Advanced Royalties and other Deferred Charges.....	1,655,052.59
	<hr/>
	40,567,366.80
Balance of Net Resources for the year accounted for as below.....	\$20,524,127.71

INCREASE IN CURRENT ASSETS, Viz.:

In Inventories (exclusive of Inter-Company Profits therein)	\$12,257,021.78
In Accounts and Bills Receivable.....	13,681,161.37
	<hr/>
	\$25,938,183.15

Less: Decreases, viz.:

In Cash.....	\$1,705,108.42
In Sundry Marketable Securities.....	553,928.36
	<hr/>
	2,259,036.78

Net Increase	\$23,679,146.37
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DEDUCT: INCREASE IN CURRENT LIABILITIES.

In Accounts Payable, Accrued Interest and Taxes.....	3,155,018.66
Balance as above.....	\$20,524,127.71

BONDED AND DEBENTURE DEBT OUTSTANDING, DECEMBER 31, 1905.

	Total Bonds.	Held by Trustees Skg. Funds.	Balance Outstanding.	Maturity.	INTEREST.	
					Rate.	Payable.
U. S. Steel Corporation 50 Yr. Gold Bonds.	\$303,957,000.00	\$11,955,000.00	\$292,002,000.00	April 1, 1951.	5	1-12 Monthly.
U. S. Steel Corporation 10-60 Year Sinking Fund Gold Bonds.....	170,000,000.00	2,596,000.00	167,404,000.00	April 1, 1963.	5	May & Nov.
SUBSIDIARY COMPANIES' BONDS GUARANTEED BY U. S. STEEL CORPORATION.						
Union Steel Co. 1st Mtge. and Col. Trust..	38,527,000.00	2,651,000.00	35,876,000.00	Dec. 1, 1952.	5	June & Dec.
Clairton Steel Co.:						
Five per cent. Mortgage Gold.....	4,000,000.00	.....	4,000,000.00	\$500,000 each July 1.	5	Jan. & July.
St. Clair Steel Co. 1st Mortgage.....	1,900,000.00	.....	1,900,000.00	\$100,000 each Jan. 1.	5	Jan. & July.
St. Clair Furnace Co. 1st Mortgage.....	2,980,000.00	.....	2,980,000.00	\$100,000 each Aug. 1, { commencing in 1910.}	5	Feb. & Aug.
Clairton Land Co. 1st Mortgage.....	1,200,000.00	.....	1,200,000.00	\$100,000 each Aug. 1, { commencing in 1915.}	4.4	Feb. & Aug.
SUBSIDIARY COMPANIES' BONDS NOT GUARANTEED BY U. S. STEEL CORPORATION.						
MANUFACTURING COMPANIES.						
Carnegie Steel Co. Bonds, viz.:						
The Carnegie Co. Collateral Trust.....	43,000.00	.....	43,000.00	April 1, 2000.	5	
Ohio Steel Co. 1st Mortgage.....	575,000.00	.....	575,000.00	Various amts. on { June 1, to 1908.	6	June & Dec.
Bellaire Steel Co. 1st Mortgage.....	301,000.00	.....	301,000.00	March 2, 1906.	6	Mar. & Sept.
Rosena Furnace Co. 1st Mortgage.....	250,000.00	.....	250,000.00	Dec. 1, 1912.	5	June & Dec.
Union Steel Co. Bonds, viz.:						
Sharon Steel Co. 1st Mortgage.....	841,000.00	.....	841,000.00	Oct. 1, 1940.	5	Apr. & Oct.
Sharon Steel Co. Col. Trust Mortgage....	1,000,000.00	.....	1,000,000.00	June 1, 1941.	5	June & Dec.
Sharon Sheet Steel Co. 1st Mortgage.....	399,000.00	.....	399,000.00	Nov. 1, 1921.	5	May & Nov.
Illinois Steel Co. Bonds, viz.:						
Five per cent. Debenture Bonds.....	2,872,000.00	.....	2,872,000.00	Jan. 1, 1910.	5	Jan. & July.
Non-Convertible Debenture Bonds.....	6,900,000.00	.....	6,900,000.00	April 1, 1913.	5	Apr. & Oct.
The Lorain Steel Co. Bonds, viz.:						
Johnson Co. 1st Mortgage.....	903,000.00	.....	903,000.00	May 1, 1914.	6	Mar. & Sept.
Am. S. & W. Co. Bonds, viz.:						
Allegheny Furnace Mortgage.....	78,000.00	.....	78,000.00	Aug. 1, 1911.	5	Feb. & Aug.
Am. Sheet and Tin Plate Co. Bonds, viz.:						
New Castle Steel and Tin Plate Co.....	75,000.00	.....	75,000.00	March 1, 1906.	6	Mar. & Sept.
W. Dewees Wood Co. 1st Mortgage.....	2,000,000.00	.....	2,000,000.00	May 1, 1910.	5	May & Nov.
Total.....	.....	.....	\$521,599,000.00			
COAL AND COKE COMPANIES.						
H. C. Frick Coke Co. Bonds, viz.:						
First Mortgage.....	1,300,000.00	.....	1,300,000.00	\$100,000 each July 1.	5	Jan. & July.
Host.-Conn. Coke Co. 1st Mortgage.....	970,000.00	.....	*970,000.00	July 1, 1942.	5	Feb. & Aug.
Host. Coke Co. Purchase Money Mtge....	100,000.00	.....	*100,000.00	\$25,000 Aug. 1, annually.	5	Feb. & Aug.
Continental Coke Co. Pur. Money Mtge..	500,000.00	.....	500,000.00	\$100,000 each Feb. 1.	5	Feb. & Aug.
Continental Coke Co. Pur. Money Mtge..	518,000.00	.....	518,000.00	\$37,000 each Apr. 27.	4½	Annually.
Sharon Coke Co. 1st Mortgage.....	1,250,000.00	.....	1,250,000.00	Dec. 2, 1931.	5	June & Dec.
\$4,638,000.00						
*Less, one-half of these bonds outstanding account stock of Host.-Conn. Co. not owned by Frick Coke Co.....	.....	.....	535,000.00			
535,000.00						
Balance of Coal and Coke Cos.' Bds.	.....	.....	\$4,103,000.00			
TRANSPORTATION COMPANIES.						
Union Railroad Co. Bonds, viz.:						
First Mortgage.....	\$2,000,000.00	.....	\$2,000,000.00	Sept. 1, 1946.	5	Mar. & Sept.
Duquesne Equipment Trust.....	1,150,000.00	.....	1,150,000.00	March 1, 1914.	5	Mar. & Sept.

*Less, one-half of these bonds outstanding account stock of Host.-Conn. Co. not owned by Frick Coke Co.....

Balance of Coal and Coke Cos.' Bds.

TRANSPORTATION COMPANIES.

First Mortgage.....	\$2,000,000.00	.....	\$2,000,000.00	Sept. 1, 1946.	5	Mar. & Sept.
Duquesne Equipment Trust.....	1,150,000.00	.....	1,150,000.00	March 1, 1914.	5	Mar. & Sept.

BONDED AND DEBENTURE DEBT OUTSTANDING—CONTINUED.

	Total Bonds.	Held by Trustees Skg. Funds.	Balance Outstanding.	Maturity.	INTEREST.	
					Rate.	Payable.
*P., B. & L. E. R. R. Co. Bonds, viz.:						
First Mortgage Consolidated.....	\$6,343,000.00	.....	\$6,343,000.00	Jan. 1, 1947.	5	Jan. & July.
Debenture Gold.....	2,000,000.00	.....	2,000,000.00	June 1, 1919.	5	June & Dec.
Pitts., Shenango & L. E. Ry. Co. Bonds, viz.:						
First Mortgage.....	3,000,000.00	.....	3,000,000.00	Oct. 1, 1940.	5	Apr. & Oct.
First Mortgage Consolidated.....	657,000.00	.....	657,000.00	July 1, 1943.	5	Jan. & July.
Bessemer Equipment Trust.....	75,000.00	.....	75,000.00	July 1, 1906.	6	Jan. & July.
Conneaut Equipment Trust.....	180,000.00	.....	180,000.00	\$60,000 each Mar. 1.	6	Mar. & Sept.
Shenango Equipment Trust.....	581,000.00	.....	581,000.00	See Note "A."	5	Apr. & Oct.
Greenville Equipment Trust.....	1,000,000.00	.....	1,000,000.00	See Note "B."	5	May & Nov.
Butler Equipment Trust.....	2,050,000.00	.....	2,050,000.00	April 1, 1921.	5	Apr. & Oct.
Note "A," \$72,000 April 1, 1906, to 1908; \$73,000 each April 1, thereafter.						
Note "B," \$100,000 May 1, 1911, to 1920.						
Bess. & L. E. R. R. Co. Bonds, viz.:						
Eric Equipment Trust.....	1,220,000.00	.....	1,220,000.00	March 1, 1922.	5	Mar. & Sept.
Locomotive Equipment Trust.....	150,000.00	.....	150,000.00	March 1, 1913.	5	Mar. & Sept.
Standard Equipment Trust.....	1,060,000.00	.....	1,060,000.00	April 1, 1925.	5	Apr. & Oct.
Elgin, Joliet & Eastern Ry. Co. 1st Mtge.....	8,500,000.00	.....	8,500,000.00	May 1, 1941.	5	May & Nov.
Duluth & Iron R. R. Co. Bonds, viz.:						
First Mortgage.....	6,732,000.00	.....	6,732,000.00	Oct. 1, 1937.	5	Apr. & Oct.
Second Mortgage.....	1,000,000.00	.....	1,000,000.00	Jan. 1, 1916.	6	Jan. & July.
D., M. & N. Ry. Co. Bonds, viz.:						
First Division 1st Mortgage.....	1,174,000.00	.....	1,174,000.00	Jan. 1, 1922.	6	Jan. & July.
Consolidated 1st Mortgage.....	2,326,000.00	\$836,000.00	1,490,000.00	Jan. 1, 1923.	6	Jan. & July.
Consolidated 2d Mortgage.....	2,856,000.00	880,000.00	1,976,000.00	Jan. 1, 1918.	5	Jan. & July.
Pittsburgh Steamship Co. Bonds, viz.:						
First Mortgage (P. S. S.).....	1,876,000.00	.....	1,876,000.00	Jan. 1, 1915.	5	Jan. & July.
No. Lakes S. S. Co. Mortgage.....	30,000.00	.....	30,000.00	\$10,000 each Sept. 15.		Mar. & Sept.
American S. S. Co. 1st Mortgage.....	5,427,000.00	984,000.00	4,443,000.00	Nov. 1, 1920.	5	May & Nov.
St. Clair Terminal R. R. Co. 1st Mortgage.....	938,000.00	.....	938,000.00	Feb. 1, 1932.	5	Feb. & Aug.
*Penn. & L. E. Dock Co. Bonds, viz.:						
Pitts. & Airport Terminal Bonds.....	100,000.00	.....	100,000.00	Oct. 1, 1907.	6	Apr. & Oct.
Consumers Forwarding & Stor. Co. Bds..	15,000.00	.....	15,000.00	Sept. 1, 1908.	5	Mar. & Sept.
Penn. & L. E. Dock Co. Bonds.....	50,000.00	.....	50,000.00	Jan. 1, 1911.	5	Jan. & July.
			\$49,790,000.00			
*Less, proportion of bonds outstanding ac- count stock of P., B. & L. E. R. R. Co. and Penn. & L. E. Dock Co. not wholly owned			7,633,309.06			
Balance of Transportation Cos.' Bds.	.....	.....	\$42,156,690.94			
Total Bonds.....	.....	.....	\$567,858,690.94			
Debenture Scrip, Illinois Steel Co. (payable April 1, 1913).....	.....	.....	35,069.18			
Grand Total Outstanding.....	.....	\$19,902,000.00	\$567,893,760.12			

TREASURY BONDS SUBJECT TO SALE.

	Amount.	Maturity.	
U. S. Steel Corp'n 10-60 Yr. Skg. Fd. Bonds.....	\$30,000,000.00	April 1, 1963.	5 May & Nov.
Union Steel Co. Mtge. & Col. Trust Bonds.....	3,074,000.00	Dec. 1, 1952.	5 June & Dec.
C. L. S. & E. Ry. Federal Equipment Trust.....	1,140,000.00	{ \$100,000 each May 1, commencing in 1907.	5 May & Nov.
Connellsville & Monon. Ry. First Mortgage.....	903,000.00	Sept. 1, 1930.	4 Mar. & Sept.
National Mining Co. National Equipment Trust.....	396,000.00	{ \$40,000 each May 1, commencing in 1906.	5 May & Nov.
Youghahela Water Co. First Mortgage.....	400,000.00	{ \$25,000 each June 1, commencing in 1908.	5 June & Dec.
Total	\$35,913,000.00		

EXPENDITURES FOR IMPROVEMENTS AND EXTRAORDINARY REPLACEMENTS

During the Fiscal Year ending December 31, 1905.

These expenditures were paid from funds provided currently from earnings to cover requirements of the character included herein. (See page 9.) The expenditures for the year are classified by property groups as follows:

Manufacturing Properties.....	\$8,174,146.15
Coal and Coke Properties.....	1,304,678.63
Iron Ore Properties.....	316,401.88
Transportation Properties.....	3,516,036.72
Miscellaneous Properties.....	183,876.87
 Total.....	 \$13,495,140.25

The principal improvement and replacement work covered by the foregoing expenditures is shown below.

MANUFACTURING PROPERTIES.

CARNEGIE STEEL COMPANY—**WORK COMPLETED DURING THE YEAR:** Edgar Thomson Works—New Wharf and remodeling Sewerage System; two Condenser Pumps. Duquesne Works—Strengthening Trestle Approach. Homestead Works—Remodeling 35 inch Mill and O. H. Furnaces 23 and 24. Lucy Furnaces—Rebuilding Stoves. Carrie Furnaces—Water Purifying Plant. Ohio Works—Addition to Electric Storage Battery Plant; completing Yard and Installing Track Scale; changing lines of Furnaces 2 and 3. Upper Union Mills, Youngstown—Remodeling 7 and 8 inch Combination Mills. Clark Mills—Installation of 8 inch Guide Mill. McCutcheon Mill—New 8 inch and 10 inch Barrel Hoop Mill. Sharon Works—One Switching Locomotive; Steel Ladle Crane. In addition a large amount of work was done in improving, remodeling and relining Blast Furnaces at the various Furnace Plants.

WORK IN PROGRESS: Edgar Thomson Works—Enlarging Electric Power Station; Gas Blowing Engines for F and G Furnaces; rebuilding three hot-blast Stoves; one compound Condensing Blowing Engine. Duquesne Works—New Water Softening Plant. New Castle Works—400 K. W. Compound Generator and Tandem Compound Engine. Carrie Furnaces—Rebuilding four Hot Blast Stoves, Furnace 2.

ILLINOIS STEEL COMPANY—**WORK COMPLETED DURING THE YEAR:** South Works—Fire Protection System; two Pumping Engines at Converting Department; Granulated Cinder Tanks, Furnaces 9 and 10. North Works—Two additional Boilers. Joliet Works—Engine and Boilers for Merchant Mill; new Steel Trestle; Water Purifying Plant; Bolt and Nut Machinery for Factory; Continuous Furnace at Merchant Mill. Milwaukee Works—New Boilers and Engine; installing additional Heating Furnaces. In addition a large amount of work was done in improving, remodeling and relining Blast Furnaces at the various Furnace Plants.

WORK IN PROGRESS: South Works—Rebuilding with modern equipment the Ore Yard and ore unloading and loading machinery; new Plant for Sintering Flue Dust; compounding Engines at Rail Mill; new Ladle Repair Shop; improvements in Rail Mill; remodeling Furnaces in O. H. Plant 1; new Granulating Cinder Plant. Joliet Works—New Ore Pockets at Blast Furnaces; new Boilers at Blast Furnace 3 and Pipe Line to Rod Mill; two compound Pressure Pumps; new Splice Bar Mill. Milwaukee Works—Improving and increasing capacity of 8, 9 and 12 inch Mills; new 12 inch Train Engine and Roughing Rolls; remodeling 21 inch Mill; four new Stirling Boilers.

THE NATIONAL TUBE COMPANY—Lorain Works—Seven new Boiler Stacks; extension to Foundry and additional equipment.

LORAIN STEEL COMPANY—Johnstown Works—Additional machinery and improvements to Shop.

NATIONAL TUBE COMPANY—**WORK COMPLETED DURING THE YEAR:** Pennsylvania Department—Electric Power Plant improvements. Riverside Department—Improvements to Rolling Mills and Pipe Mills; Foundations for Engine and Roll Train and erecting Engine; one Generator and Engine. Continental Department—Improvements to Butt and Lap Mill. In addition considerable work was done in improving, remodeling and relining Blast Furnaces at the various Furnace Plants.

WORK IN PROGRESS: National Department—Two-thirds cost of remodeling, rebuilding and enlarging McKeesport Plant (remaining one-third cost is charged Construction—for particulars of the new work in progress at this Plant see details of expenditures for construction, page 20). Riverside Department—New Pipe Warehouse.

AMERICAN STEEL AND WIRE COMPANY—**WORK COMPLETED DURING THE YEAR:** Anderson Works—Additional Galvanizing Equipment and additions to Buildings. DeKalb Works—Additional Wire Equipment; additions and extensions to Shops and Buildings. Scott Street Works, Joliet—Additional Equipment and Machinery; one battery of Boilers; Brick Building for Cooperage Storage, including tracks. Rockdale Works—New Main Engine; additional Machinery and Equipment. Waukegan Works—Extending Intake Pipe; two new Patenting Furnaces; additions to Equipment and Buildings. Consolidated Works—Installing Field and Barb Wire Fence Conveyors; additional Machinery and Equipment. American Works—Electric Crane; Annealing Pots and Covers; remodeling Galvanizing Furnace; condensing Wire Mill Engine; additional wire drawing Blocks at

Galvanizing Furnace; Automatic Sprinkler System; new Building for Pumping Station. H. P. Works—New Water Supply System; installing new Reels; new Dry House. Newburg Steel Works—Additional Machinery and Equipment; additional Water Cooling Capacity; Heaters and Feed Water Pump. Newburg Wire Works—Electric Crane; Building and Equipment for Scale Department. Salem Works—New Shop Buildings. Central Furnaces—New Pig Casting Machine; Building for Electric Shop, Pipe Shop, etc. Central Docks—New Limestone Dock, Automatic Unloading Machines and Automatic Scrapers. Rankin Works—Conveyor for Finished Goods; Additional Power Equipment and changes in Drawing Department; Electrical Equipment; Cooperage Machinery. Allegheny Works—Additional Condenser Plant. Shoenberger Works—Additional Machinery and Equipment. Allentown Works—Additional Machinery and Equipment. North Works, Worcester—Additional Machinery and Equipment. South Works, Worcester—Improvement of Engine, Boiler and Power Equipment; Sprinkler System at Machine Shop. Electrical Works, Worcester—Cotton Winding Machine and Cable Testing Set. In addition a large amount of work was done in improving, remodeling and relining Blast Furnaces at the various Furnace Plants.

WORK IN PROGRESS: DeKalb Works—Additional Buildings and new Steel Hoop Machine. Rockdale Works—Installing Ventilating System; new Electric Hoist and Sprinkler System. Waukegan Works—Extension to Galvanizing Room; additional machinery; rearranging No. 3 Rod Mill. Consolidated Works—Strengthening Warehouse; installing Electric Hoist; laying new Tracks; replacing Boiler Plant in Wire and Rod Mills; Water Stand Pipe. American Works—Building four Stone Jetties to protect lake front; building 24 Rod Block Frames. H. P. Works—One Corliss Engine. Newburg Steel Works—Coal Distributor at No. 1 Blooming Mill Boiler House; 50 Ingot Cars. Newburg Wire Works—New Galvanizing Plant. Central Furnaces—Cast House and Crane; twelve Hot Metal Cars. Rankin Works—Water Softener. Shoenberger Works—New Power Line; five hole Pit Furnace. Allentown Works—Galvanizing Nail Plant. North Works, Worcester—One Annealing Muffle. South Works, Worcester—Improvements at Color Works.

AMERICAN SHEET AND TIN PLATE COMPANY—WORK COMPLETED DURING THE YEAR: Ætna-Standard Works—Installing new expanded Metal Machine. American Works—Changing 58 Tinning Stacks to use gas instead of coal. Anderson Works—Changing 12 Tinning Stacks to use gas instead of coal. Chester Works—Extension to Warehouse; extension to Continuous Roofing Building; additional Building and Equipment for manufacture of special grades of Tin Plate. Dover Works—Installing Water Purifying System. Guernsey Works—New Traveling Crane. Laughlin Works—Steam Heating Apparatus. Midland Works—Improvements to Plant and changing equipment to use gas instead of coal. Monongahela Works—New Fire Protection System. Morewood Works—Traveling Crane; changing Boilers to use gas instead of coal. National Works—New Storage Building; extension to warehouse. Piqua Works—Changing five Annealing Furnaces to use gas instead of coal. Shenango Works—Additional Machinery. United States Works—Extension to Warehouse. Wood's Works—One Heating Furnace and double Knobbling Fire; new 21 inch Sheet Mill.

WORK IN PROGRESS: Ætna-Standard Works—New Roofing and Galvanizing Department. Anderson Works—One 10 Ton Traveling Crane. Cambridge Works—Remodeling and modernizing Plant. Chester Works—Additional Machinery and Buildings. Crescent Works—Eleven new Tinning Stacks. Dover Works—New Building and Crane for Finishing Department. Midland Works—Changing Annealing Furnaces to use coal instead of gas. Morewood Works—Changing equipment to use gas instead of coal. National Works—Installing new Boilers; one Air Compressor. Shenango Works—New Annealing Furnace and Gas Producer. Vandergrift Works—New Pattern Storage House; eight new Boilers and extension to Boiler House; extending Natural Gas Line. Wellsville Works—New Warehouse; Coal Handling Machinery. Wood's Works—Extension to Warehouse.

SHELBY STEEL TUBE COMPANY—WORK COMPLETED DURING THE YEAR: Shelby Works—Installing sundry machinery. Greenville Works—Installing sundry machinery and equipment.

WORK IN PROGRESS: Shelby Works—Rebuilding Piercing Mill; improvements in Shipping Room and installing new Engine for Electric Generator. Ellwood Works—One Roll Straightener and one Annealing Furnace.

AMERICAN BRIDGE COMPANY—WORK COMPLETED DURING THE YEAR: Ambridge Plant—New Eye Bar Testing Machine and alterations in Eye Bar Plant. Lassig Plant—New Boring Mill. Minneapolis Plant—New Beam Shears. Pencoyd Plant—New Electric Crane and Runway; Straightening Press for Finishing Mill.

WORK IN PROGRESS: Lassig Plant—Four 10 ton Electric Assembling Hoists. Elmira Plant—New Office Building, Templet Shop and Equipment. Pencoyd Plant—Three Angle Straightening Machines; reconstruction of Blooming Mill Furnace; improvements at Blooming Mill and moving Furnace in 28 inch Mill. Trenton Plant—Extending Crane Runway; new Plate Shears.

UNION STEEL COMPANY—WORK COMPLETED DURING THE YEAR: Donora Works—Dredging River Harbor; additional Cooperage Equipment; installation of equipment for handling Billets; Cable Motor in Fence Department; additional Machinery and Shop Equipment. South Sharon Works—Two new Locomotive Cranes; Brick Conduit from Blast Furnace to Wire Plant; additional machinery and equipment in Wire and Nail Department. In addition a considerable amount of work was done in improving and relining Blast Furnaces at the various Furnace Plants.

WORK IN PROGRESS: Donora Works—New Air and Rotary Pump; sundry additional Machinery. South Sharon Works—New Stripper for Blooming Mill; improvements for loading Blooms and Billets; enlarging Ore Bins; Conveyor in Nail Mill Warehouse. Mercer Works—Remodeling Sheet Mill, including installation of Bray Mills. Sharon Tin Plate Works—Increasing capacity in Finishing Department.

CLAIRTON STEEL COMPANY—WORK COMPLETED DURING THE YEAR: Clairton Works—New Crane over Skull Cracker; new Yard for outbound shipments; Testing Laboratory Equipment; new Tools and Machinery.

WORK IN PROGRESS: Fire Protection System.

COAL AND COKE PROPERTIES.

H. C. FRICK COKE COMPANY—WORK COMPLETED DURING THE YEAR: Baggaley Works—New Engine, Boiler Plant and Equipment. Continental No. 1 Works—Two Coke Extractors. Continental No. 2 Works—New Pumping Station. Dorothy Works—Rebuilding Bridge. Footedale Works—Three Mining Machines. Leisenring Works—New Brick Shop. Hostetter Works—Air Compressor Plant. Miscellaneous—Purchase of 300 Steel Hopper Cars.

WORK IN PROGRESS: The sum of \$854,835.26 was expended during the year on account of the construction of 1,000 new Coke Ovens at York Run, Shoaf and Bitner Works in the Connellsville Region. These new Plants are to replace ovens that will be abandoned, by reason of the exhaustion of coal contiguous thereto, by the time the former are completed.

ORE PROPERTIES.

WORK COMPLETED DURING THE YEAR: Chapin Mine—Air Receiver; improvements at Hydraulic Plant; sundry Machinery and Equipment. Riverton Mine—New Hoisting Plant; two Prescott Sinking Pumps. Tilden Mine—Steam and Air Line at No. 6 Shaft. Aragon Mine—Sundry Machinery and Equipment. Mountain Iron Mine—Additional Machinery. Fayal Mine—Hoisting Equipment at new No. 1 Shaft; additional Machinery. Chisholm Mine—Twenty Tram and three Landing Cars. Adams Mine—Ten Stripping Cars; additional Machinery. Spruce Mine—Trestle Approach to Coal Dock; sundry Equipment and Machinery. Norrie-Aurora Mine—Sundry Machinery and Equipment; extending Electric Haulage System. Blue-Queen Mine—New Shaft House; Stockpile Trestle. Lake Superior Mine—Underground Hoists; eleven Tram Cars; one Pipe Machine. Pioneer Mine—Coal Trestle; Screen Bars at B Shaft. Sibley-Savoy Mine—Electric Haulage Plant and Coal Hoist. Soudan Mine—Electric Light Plant and Steam Line.

WORK IN PROGRESS: Chapin Mine—New Shaft Equipment; improvements to Hydraulic Plant; new Turbine and Pipe Line. Norrie-Aurora Mine—New Steam Line; new Power Plant, Pabst; new Power Plant, East Norrie; changes in Hoisting and Boiler Plants, at No. 6 Norrie; four inch Air Line. Atlantic Mine—Remodeling Air Compressor. Lake Superior Mine—Equipment at No. 3 Shaft, Hematite Mine; extension to Repair Shops; new Dry House. Blue-Queen Mine—One Tram Hoist; Electric Haulage. Fayal Mine—Electric Haulage. Sellers Mine—Warehouse for heavy supplies. Adams Mine—Extension to Pipes and foundations for Pumps at No. 6 Shaft; 10 Stripping Cars. Spruce Mine—Head Frame for Timber, Shaft No. 1.

TRANSPORTATION PROPERTIES.

BESSEMER & LAKE ERIE RAILROAD.—Expenditures aggregating \$496,238.33 included \$231,908.77 for new second Tracks; \$39,905.81 for rebuilding Track on Meadville and Linesville Branch; \$22,122.61 for change of line, Dickinsonburg to Conneautville; \$33,280.50 for Double Track fill at Milltown Viaduct; \$4,556.96 for completion of Elk Creek Viaduct; \$61,356.86 for Tracks, Sidings and Cross-overs; \$15,657.26 for interlocking apparatus and telephone lines; \$29,130.17 for Shops and Shop Equipment; \$12,307.91 for Office, Station, Water and Store Buildings; \$18,283.58 for rebuilding Cars and \$27,727.90 for sundry improvements.

UNION RAILROAD—Expenditures to the amount of \$122,321.03 included \$84,697.13 for 6 Locomotives for replacements; 1 Steam Shovel and sundry Car Equipment. The balance was expended for various Tracks and Spurs, Grading and Yard Extensions.

ELGIN, JOLIET & EASTERN RAILWAY—Expenditures aggregating \$96,046.81 included \$81,573.51 for 7 Locomotives, purchased for replacements; \$9,745.00 for rebuilding Bridges and Culverts and \$4,728.30 for sundry improvements.

CHICAGO, LAKE SHORE & EASTERN RAILWAY—Expenditures aggregating \$233,221.94 included \$71,656.95 for 6 Switch Engines and 1 Way Car, purchased for replacements; \$11,788.34 for converting Cars and \$149,776.65 for new Yard Extensions, Sidings, Storage Tracks, sundry Buildings, etc.

DULUTH & IRON RANGE RAILROAD—Expenditures aggregating \$377,928.05 included \$156,154.88 for rebuilding Ore Dock No. 3; \$127,823.10 for relocation of Yard and Mine Tracks at Fayal Mine; \$9,905.00 for raising grade of Yard at Two Harbors; \$11,622.69 for rebuilding Car Shops at Two Harbors; \$11,464.53 for Wrecking Crane; \$8,233.60 for rebuilding and converting cars and \$52,724.25 for sundry Tracks, Trestles, additions to Buildings and Shop Equipment.

DULUTH, MISSABE & NORTHERN RAILWAY.—Expenditures aggregating \$1,264,793.20 included \$904,302.58 for 12 Locomotives and 800 Steel Ore Cars for replacements; \$260,766.36 for Extension of Ore Dock No. 3, Duluth; \$66,191.89 for Grading, new Tracks and Extensions, Sidings and new entrance to Burt and Hull Mines; \$14,415.85 for additional Log Trestle at Dock and improvements to Dock No. 2; \$11,494.03 for Water Tank and Vacuum Steamheating Plant, Proctor; \$7,622.49 for sundry improvements to Buildings and Turntable.

LAKE TERMINAL RAILROAD—Expenditures included \$36,265.65 for 3 Locomotives for replacements.

PITTSBURGH STEAMSHIP COMPANY—Expenditures aggregating \$784,043.58 included \$618,392.76 for balance cost of two modern 10,000 ton Steel Steamers; \$78,650.82 for sundry improvements to Fleet, and \$87,000.00 for first payment on account of purchase of two modern 12,000 ton Steel Steamers deliverable in 1906.

PITTSBURG & CONNEAUT DOCK COMPANY—Expenditures aggregating \$44,887.48 included \$33,915.84 for equipping Ore Conveyor with automatic Grab Buckets, and \$10,971.64 for changing Track System at Dock No. 4.

MISCELLANEOUS PROPERTIES.

CARNEGIE NATURAL GAS COMPANY—Expenditures aggregating \$164,726.34 included \$44,791.73 for new Pumping Station and \$119,934.61 for installation of New Pipe Lines.

SUMMARY OF MANUFACTURING PLANTS
OWNED BY SUBSIDIARY COMPANIES OF
UNITED STATES STEEL CORPORATION

MANUFACTURING PLANTS OWNED
BY SUBSIDIARY COMPANIES OF
UNITED STATES STEEL CORPORATION

(a) 1-Armor Plant and 1-Bolt and Rivet Dept

(b) 1-Bolt and Rivet Dept

(c) 1-Axle Works

(d) 1-Spring Works.

(e) 1-Cold Rolling Dept.

(f) 1-Horse Shoe Works.

(g) 1-Electrical Works, 1-Wire Rope Works, and 1-Spring Works.

(h) 1-Wire Rope Works and 1-Cold Rolling Dept.

(i) 1-Spring Works and 1-Wire Rope Works.

(j) Zinc Smelter 4,800 Retorts.

(k) Zinc Smelter 2,000 Retorts.

MANUFACTURING PLANTS OWNED—CONTINUED

(1) 1-Cement Plant and 1-Paint Factory

(iii) 1. *Cement Plant*

(n) 1-Spike, Bolt & Nut Factory.

(9) *1-Spike Factory*

(p) 1-Frog & Sunitah Wanka

MANUFACTURING PLANTS OWNED — CONTINUED

Operating Company and Name of Works	Location of Works	Number of Blast Furnaces	Number of Rail Mills				Plate Mills				Puddling Mills		Skelp Mills		Merchant Bar, Hoop and Cotton Tie Mills		Structural Shape Mills		Rod Mills		Wire Mills				Sheet Mills						
			Bessemer Steel Works	Open Hearth Steel Works	Blooming Slabbing Billet and Sheet Bar Mills	Number of Works	Number of Mills in Works	Number of Works	Number of Mills in Works	Number of Works	Number of Mills in Works	Number of Works	Number of Mills in Works	Number of Works	Number of Mills in Works	Number of Works	Number of Mills in Works	Number of Works	Number of Mills in Works	Number of Works	Number of Mills in Works	Number of Works	Number of Mills in Works	Number of Works	Number of Mills in Works	Number of Works	Number of Mills in Works	Black Plate Mills and Tin Plate Mills	Tube Mills		
AMERICAN BRIDGE CO.																															
Minneapolis	Plant	Minneapolis	Minn.																										1	1	
Milwaukee	"	Milwaukee	Wis.																										1		
American	"	Chicago	Ill.																										1	(q)	
Lassig	"	Chicago	Ill.																										1		
Detroit	"	Detroit	Mich.																										1		
Toledo	"	Toledo	Ohio																										1		
Canton	"	Canton	"																										1		
Youngstown	"	Youngstown	"																										1		
Ambridge	"	Ambridge	Penn.																										1	1	(r)
Shiffler	"	Pittsburg	"																										1		
Athens	"	Athens	"																										1	1	
Pencoyd	"	Pencoyd	"			1	11	1	1												1	3						1	2		
Edge Moor	"	Edge Moor	Del.																										1		
Trenton	"	Trenton	N.J.																										1		
Brooklyn	"	Brooklyn	N.Y.																										1		
Albany	"	Albany	"																										1		
Buffalo	"	Buffalo	"																										1		
Horseheads	"	Horseheads	"																										1		
Elmira, North Shop	"	North Elmira	"																										1		
Elmira, South Shop	"	Elmira	"																										1		
Berlin	"	East Berlin	Conn.																										1		
TOTAL AMERICAN BRIDGE CO.						1	11	1	1												1	3						21	5	2	

(q) 1-Axle Works.

(r) 1-Eye Bar Works.

NATIONAL TUBE CO.													
Youngstown	Works	Youngstown	Ohio										1 2
Steubenville	"	Steubenville	"	1									
Riverside	"	Benwood	W.Va.	2	1	2		1	1				1 7 1 (s)
Pennsylvania	"	Pittsburg	Penn.										1 7
Continental	"	Pittsburg	"					1	32	1	1	3	1 4 (t)
National	"	Mc Keesport	"	3	1	3		1	2	2	61	3	3 9 1 18 2 (u)
U.S.Seamless	"	Christy Park	"									1 2	1 *
Stand.Seamless	"	Ellwood City	"									1 2	1 *
American	"	Middletown	"										1 6 1 (v)
Allison	"	Philadelphia	"										1 3
Cohoes	"	Cohoes	N.Y.										1 2
Syracuse	"	Syracuse	"										1 3
The National Tube Co.													
Lorain	Works	Lorain	Ohio	4	1	2		1	2	1		1 4	1 9 1
TOTAL NATIONAL TUBE COS.													
		10	3	7			3	5	1		3	93	4 8 25 12 61 5 5
SHELBY STEEL TUBE CO.													
Albany	Works	Albany	Ind.										1 *
Toledo	"	Toledo	Ohio							1	4		1 *
Shelby	"	Shelby	"							1	6		1 *
Greenville	"	Greenville	Penn.							1	1		1 *
Ellwood	"	Ellwood City	"							1	2		1 *
Hartford	"	Hartford	Conn.										1 *
TOTAL SHELBY STEEL TUBE CO.													
								#	#	4	13		6 *

These are used only in producing blanks for Seamless Tubing.

* *Seamless Mills.*

(2) 1-Galvanizing Works and 1-Cut Nail Mill.

(†) 1-Thread Protector Works.

(ii) 1-Galvanizing and Job Works.

(V) 1-Galvanizing Works.

COKING COAL PROPERTIES OWNED BY SUBSIDIARY COMPANIES.

In the Connellsville and Lower Connellsville Districts in Westmoreland and Fayette Counties, Pa.:

Acreage of Coal.....	63,694 acres
Acreage of Surface.....	19,809 "
Number of Coking Coal Plants (Bee-hive Ovens).....	65
Number of Bee-hive Ovens.....	18,257

In the Pocahontas District, McDowell County, W. Va.:

Lease of 50,000 acres of coking coal. Own 36 acres surface.

On this property there have been constructed 8 Coking Coal plants (Bee-hive Ovens), to comprise in all, 2,150 ovens. Of these, 2,062 ovens were completed and in operation December 31, 1905, and 88 ovens were in course of construction.

By-Product Coke Ovens, located at Benwood, W. Va., at Sharon, Pa., and So. Sharon, Pa., in all.. 357 ovens.

STEAM COAL PROPERTIES OWNED BY SUBSIDIARY COMPANIES.

In Washington, Allegheny, Somerset, Green and Fayette Counties, Pa., an acreage of steam and gas coal is owned to the amount of.....

26,224

Sundry tracts of steam coal located at or near furnaces and mill plants of the Subsidiary Companies in Pennsylvania, West Virginia, Ohio and Indiana and in Williamson County, Ill., of an acreage of about.....

6,500

Total Steam Coal..... 32,724 acres.

MISCELLANEOUS PROPERTIES OWNED BY SUBSIDIARY COMPANIES.

WATER SUPPLY PLANTS:

In the Connellsville Coke regions various water supply plants having nine large reservoirs and seven pumping stations and extensive pipe lines. Water is supplied from these plants for use in manufacturing coke, and is also furnished for general purposes.

NATURAL GAS PROPERTY:

Carnegie Natural Gas Company owns in Pennsylvania and West Virginia extensive natural gas territory, either owning or having under lease about 114,852 acres; also owns 355 miles of pipe lines and four pumping stations.

Extensive natural gas territory and pipe lines are also owned by the American Sheet and Tin Plate Company in Pennsylvania, the gas therefrom being used at its plants in the Vandergrift district.

ORE DOCKS:

Large forwarding ore docks situated on Lake Superior are owned as follows:

At Two Harbors, Minn., owned by Duluth & Iron Range R. R. Company, 5 docks.

At Duluth, Minn., owned by Duluth, Missabe & Northern Ry. Company, 3 docks.

Receiving ore docks are owned at the furnace plants at Chicago, Ill.; Milwaukee, Wis.; Lorain, Ohio, and Cleveland, Ohio.

Receiving and forwarding docks are owned at Lake Erie ports as follows:

At Conneaut, Ohio, by Pittsburg and Conneaut Dock Company.

At Ashtabula, Ohio, by Carnegie Steel Company.

At Fairport, Ohio, by Pennsylvania and Lake Erie Dock Company.

IRON ORE MINES—LIST OF DEVELOPED IRON ORE MINES OWNED BY
SUBSIDIARY COMPANIES IN THE LAKE SUPERIOR ORE DISTRICT.

<i>Located on Marquette Range:</i>	<i>Located on Gogebic Range:</i>	<i>Located on Mesaba Range:</i>
Bessie Mine.*	Norrie Mine.	Adams Mine.
Hartford Mine.	Aurora Mine.	Burt Mine.
Queen Mine ($\frac{3}{4}$ Interest).	Chicago Mine.*	Day Mine.*
Section 16 Mine ($\frac{3}{4}$ Interest).	Tilden Mine.	Duluth Mine.
Section 21 Mine ($\frac{3}{4}$ Interest).	Atlantic Mine.	Glen Mine.
Hard Ore Mine ($\frac{3}{4}$ Interest).		Hull Mine.
Hematite Ore Mine ($\frac{3}{4}$ Interest).	<i>Located on Vermilion Range:</i>	
Moore Mine.*	Pioneer Mine.	Pillsbury Mine.
Stegmiller Mine.*	Savoy Mine.	Rust Mine.
Winthrop Mine.*	Sibley Mine.	St. Clair Mine.*
Volunteer Mine.*	Zenith Mine.	Sellers Mine.
Champion Mine.*	Chandler Mine ($\frac{1}{2}$ Interest).	Spruce Mine.
<i>Located on Menominee Range:</i>	Soudan Mine.	Monroe Mine.
Forest Mine.*	<i>Located on Mesaba Range:</i>	Tener Mine.
Mansfield Mine.	Mountain Iron Mine.	Myers Mine.
Michigan Mine.	Stephens Mine.	Morris Mine.
Riverton Mine.	Virginia Mine.	Donora Mine.*
Cuff Mine.*	Fayal Mine.	Sharon Mine.*
Hilltop Mine.*	Auburn Mine.*	Penobscot Mine.*
Chapin Mine.	Genoa Mine.	Higgins Mine.
Aragon Mine.	Chisholm Mine.	Union Mine ($\frac{1}{2}$ Interest).*
Cundy Mine.*	Sauntry Mine.	Biwabik Mine ($\frac{1}{4}$ Interest).
Iron Ridge Mine.	Clark Mine.	Mahoning Mine (1-5 Interest).
Pewabic Mine ($\frac{1}{2}$ Interest).		

In addition to the foregoing mines, the subsidiary companies own in fee and hold under long term leases on the ranges named extensive acreages of land, much of which contain large quantities of ore yet unopened, and on which there are also great quantities of standing timber designed for future use in mining operations.

* Inactive at present time.

SUMMARY OF STANDARD GAUGE RAILROAD MILEAGE OWNED BY
SUBSIDIARY COMPANIES DECEMBER 31, 1905.

OWNED OR OPERATED BY	Main Line Owned.	Branches and Spurs.	Operated Under Trackage Rights.	Second Tracks.	Sidings.
Duluth & Iron Range R. R.:					
Duluth to Ely, Minn.....	117.22	.....	.80	.....	.....
Tower Junction to Tower, Minn.....	1.40	.....	.....	.....	125.67
Allen Junction to Virginia, Minn.....	25.31	.....	.....	.....	.....
McKinley to Eveleth, Minn.....	8.63	.....	.....	.....	.....
Waldo to Drummond.....	8.50	.....	.....	.....	.....
Two Harbors to Wyman.....	.....	.....	.....	49.85	.....
Summit Switch to Eveleth Switch.....	.....	.....	.....	14.43	.....
Between South End of Allen Junction and West Switch at Wyman.....	.....	.....	.....	4.08	.....
Branches and Spurs to Mines, etc.....	.....	50.63	.....	.....	.....
Total D. & I. R. R.....	161.06	50.63	.80	68.36	125.67
Duluth, Missabe & Northern Railway:					
Stony Brook to Mountain Iron.....	48.62	.....	.....	.....	.....
Missabe Junction to Columbia Junction.....	29.34	.....	.....	.....	.....
Iron Junction to Biwabik.....	15.54	.....	.....	.....	67.74
Wolf to Hibbing.....	16.72	.....	.....	.....	.....
Main Line Branches.....	29.94	.....	.....	39.92	.....
Ore Dock to Payne.....	.....	.....	.....	10.76	.....
Sherwood to Hull Mine.....	.....	.....	.....	7.31	.....
Wicks to Wolf.....	.....	.....	.....	.20	.....
Wolf West on Superior Branch.....	.....	.....	.....	.....	16.05
Branches and Spurs to Mines, etc.....	.....	45.25	.....	.....	.....
Total D., M. & N. Ry.....	140.16	45.25	.....	58.19	83.79
Elgin, Joliet & Eastern Ry.:					
Waukegan, Ill., to Porter, Ind.....	129.94	.....	.....	.....	.....
Walker to Wilmington, Ill.....	33.30	.....	.....	.....	.....
Normantown to Aurora, Ill.....	9.65	.....	.....	.....	.....
East Joliet to Joliet, Ill.....	1.79	.....	.....	.....	.....
State Line to Whiting, Ind.....	7.08	.....	.....	2.03	.....
Ingaltion to West Chicago, Ill.....	.....	.....	.....	.....	.....
Griffith to Clarke Junction, Ind.....	10.67	.....	.....	.....	.....
Rockdale Junction to Rockdale, Ill.....	6.57	.....	.....	.....	.....
East Joliet to Frankfort, Ill.....	.....	.....	.....	13.50	.....
Spurs to Coal Mines, Quarries, etc.....	.....	28.97	.....	.....	113.26
State Line, Ind., to 112th Street (C. & W. I. Ry.).....	.....	.....	4.80	.....	.....
112th Street to 98th Street (Belt Ry.).....	.....	.....	2.05	.....	.....
Total E., J. & E. Ry.....	199.00	28.97	6.85	15.53	113.26
Chicago, Lake Shore & Eastern Ry.:					
South Chicago, Ill., to Clarke Junction, Ind.....	11.35	.....	.....	10.32	.....
At Brimson and at South Chicago.....	.....	110.66	.....	.....	.....
At Bridgeport (C. & S. Ry.).....	.....	9.20	.....	.....	.....
At North Chicago (C. & K. Ry.).....	.....	4.81	.....	.....	.....
At Joliet (J. & B. I. Ry.).....	.....	30.55	.....	.....	.....
At Milwaukee (M., B. V. & C. Ry.).....	.....	18.51	.....	.....	.....
Chicago Heights to Westville, Ill. (C. & E. I. R. R.).....	.....	.....	111.20	.....	.....
Danville Junction, Ill., to Clinton, Ind. (C. & E. I. R. R.).....	.....	.....	39.80	.....	.....
Riola to Sidell Junction, Ill. (C. & E. I. R. R.).....	.....	.....	7.90	.....	.....
Rossville to Sidell Junction, Ill. (C. & E. I. R. R.).....	.....	.....	34.40	.....	.....
East Joliet, Ill., to Clarke Junction, Ind. (E. J. & E. Ry.).....	.....	.....	44.27	.....	.....
Whiting, Ind., to Franklin Park, Ill. (C. J. Ry.).....	.....	.....	38.57	.....	.....
Total C., L. S. & E. Ry.....	11.35	173.73	276.14	10.32	.....

SUMMARY OF STANDARD GAUGE RAILROAD MILEAGE—CONTINUED.

OWNED OR OPERATED BY	Main Line Owned.	Branches and Spurs.	Operated Under Trackage Rights.	Second Tracks.	Sidings.
Bessemer & Lake Erie R. R.:					
Kremis to Osgood.....	8.87	.....	.....	.....	1.53
North Bessemer to Conneaut Harbor.....	146.09	.....	.....	5.92	7.21
North Bessemer to Bessemer (Leased to Union R. R.).....	6.97	.....	.....	.....	.....
Branchton to Hilliard.....	10.30	.....	.....	.....	.....
Conneaut Junction to Wallace Junction.....	8.71	.....	.....	.....	.....
Main Line Branches.....	6.42	26.10	.....	50.06	111.94
Meadville to Linesville.....	20.54	.....	.....	.....	.....
Lynces Junction to Exposition Pk. (M., C. L. & L. R. R.).....	1.20	.....	.....	.....	.....
Meadville to Valonia.....	1.05	.....	.....	.....	.....
Cascade to Wallace Junction (N. Y., C. & St. L. R. R.).....	.....	.....	12.40	.....	.....
Pittsburg Junction to Butler (B. & O. R. R.).....	.....	.....	.50	.....	.....
Total B. & L. E. R. R.....	210.15	26.10	12.90	55.98	120.68
Union Railroad:					
E. Pittsburg to Streets Run, Pa., and Duquesne Jct. to Duquesne, Pa.	8.79	6.09	1.00	7.45	45.78
McKeesport Connecting Ry.:					
McKeesport, Pa., to Port Perry.....	.58	.....	.....	.....	.....
Benwood & Wheeling Conn. Ry.:					
Riverside Yards.....	10.20	.....	.....	.....	.....
Waukegan & Mississippi Val. Ry.:					
Between E., J. & E. and C. & N. W. Rys. at Waukegan.....	4.42	.....	.....	.....	.....
Newburg & South Shore Ry.:					
At Newburg and Cleveland.....	9.53	.....	.....	.....	18.47
Pittsburg & Ohio Valley Ry.:					
At Allegheny, Braddock, Neville Island and Rankin, Pa.....	13.09	.....	.....	.....	.....
Northern Liberties Ry.:					
At Pittsburg.....	1.50	.....	.....	.....	.....
Johnstown & Stonycreek R. R.:					
Bedford Station to Stonycreek Bridge.....	2.44	.....	.....	.....	.....
The Lake Terminal R. R.:					
Lorain Steel Plant to C., L. & W. R. R.....	11.66	.....	.....	.....	.....
Youghiogheny Northern Ry.:					
Broad Ford to Summit, Pa. (Leased to Pa. R. R.).....	2.00	.....	.....	.....	.....
Etna & Montrose R. R.:					
Etna to Pine Creek, Pa.....	2.51	.....	.....	.....	.....
South West Connecting Ry.:					
Marguerite Coke Wks. to Sta. 55 of Bess. C. Co.....	1.67	.....	.....	.....	.....
Mount Pleasant & Latrobe R. R.:					
Standard Coke Wks., Mt. Pleasant, Pa., to S. W. Pa. R. R.....	1.06	.....	.....	.....	.....
Elwood, Anderson & Lapelle Ry.:					
Elwood, Ind., to connections with L. E. & W. and P., C., C. & St. L. Rys.....	1.11	.....	.....	.....	3.40
Connellsville & Monongahela Ry.:					
Moser Run Junction to Brownsville, Pa. (Leased to Pa. R. R.)....	15.70	11.99	.....	.....	.....
Donora Southern R. R.:					
At Donora.....	1.90	2.50	.....	.....	.....
Mercer Valley R. R.:					
At South Sharon.....	3.00	.....	.....	.....	30.00
St. Clair Terminal R. R.:					
At Clairton.....	1.70	5.00	.....	.....	.55
Total Mileage.....	814.58	350.26	297.69	215.83	541.60

STANDARD GAUGE RAILROAD EQUIPMENT OWNED BY SUBSIDIARY
COMPANIES DECEMBER 31, 1905.

	<i>Duluth and Iron R. R.</i>	<i>Duluth, Missabe & Nor. Ry.</i>	<i>Elgin, Joliet & E. Ry.</i>	<i>Chicago, L. S. & E. Ry.</i>	<i>Bessemer & L. E. R. R.</i>	<i>Union R. R.</i>	<i>All Other Railroads.</i>	<i>Mining Companies.</i>	<i>Steel and Coke Companies.</i>	<i>Total.</i>
Locomotives	77	64	66	91	107	79	70	38	98	690
Cars:										
Passenger	11	12	3	34	...	2	...	...	...	62
Combination (Passenger and Bagg.)	4	3	...	7	...	...	...	...	...	14
Combination (Bagg., Mail and Ex.)	2	3	...	8	...	...	...	...	...	13
Officers'	2	2	1	3	...	...	2	4	4	14
Box, Freight.....	110	73	434	918	188	2	4	8	1,737	
Flat	421	379	81	347	207	18	119	367	1,939	
Pig Iron.....	...	...	...	25	...	...	...	6	31	
Iron Ore.....	2,307	2,406	...	495	...	...	...	...	5,208	
Iron Ore, Steel.....	1,349	1,705	...	...	...	...	...	56	3,110	
Coal	15	...	1,858	200	...	...	...	...	2,073	
Coke .....	...	...	...	2,236	...	...	96	2,192	4,524	
Stock	2	2	...	3	19	...	...	29	55	
Gondola, Steel.....	...	...	...	147	3,100	1,000	86	142	4,475	
Gondola, Steel Hopper.....	...	...	...	373	3,601	100	468	370	4,912	
Gondola, Wooden.....	...	...	...	...	1,678	...	243	164	2,085	
Wire .....	...	...	...	76	...	...	...	24	100	
Fence .....	...	...	...	...	...	...	...	4	4	
Log	175	...	...	...	...	...	...	...	175	
Refrigerator	12	9	...	...	...	...	...	...	21	
Caboose	47	43	30	26	61	...	3	...	2	212
Boarding	9	16	...	...	8	...	...	...	...	33
Dump and Work.....	...	8	181	292	...	...	24	229	26	760
Steam Shovel and Tool.....	4	2	...	...	2	4	...	64	2	78
Pile Driver and Tool.....	2	1	...	...	1	...	1	...	...	5
Wrecking	4	1	...	1	14	1	1	...	...	22
Sundry Road.....	25	...	...	40	2	1	1	4	...	73
Total.....	4,501	4,665	2,588	5,179	8,933	1,126	1,048	295	3,400	31,735

MARINE EQUIPMENT.

Pittsburg Steamship Company:

Steamers	70
Barges	30
Total.....	100

NOTE: During the season of 1905, extending from April 10 to December 12, 1905, this fleet carried 11,341,539 tons of Iron Ore and 557,825 tons of Miscellaneous Freight; total, 11,899,364. The gross earnings of the fleet were \$8,972,441.16.

